An Intellectual Property Approach to the Use of Generative AI

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DOI: 10.56201/wjimt.v9.no4.2025.pg97.116

Abstract
The advent of many technologically powered inventions has not only made living easier but has aided the convenience of doing business in the digital age. Technological models like generative artificial intelligence, also known as generative AI, are now adopted by many businesses to stimulate their creative processes. Content generation has now been made easier as this is rapidly becoming the strength of the 21st-century business economy. As we enjoy the assistance rendered by generative artificial intelligence tools, we must address the concerns that emanate from this technology. One broad area that is worthy of note is the intellectual property concerns in the use of generative AI. This is pertinent to discuss because some of these AI models are trained on data that have, in recent times, been challenged due to the proprietary interest in such works. Also, the challenge that comes with determining the ownership of AI-generated content, amongst other things, needs to be addressed. This research aims to give an exposition into the interface between these areas, discussing the conundrum that arises in this interface and proffering a balance to ensure mutual coexistence. The study found that as the world is moving and innovation is increasing, policies to balance this surge in innovation must be made proactively too. Legislative silence and dormancy will affect judicial capacity and that is not good for any country. The legal landscape must evolve to balance AI innovation with fair intellectual property protections. To achieve this, governments should prioritize the development of comprehensive legislation that addresses AI-generated content and its ownership. Additionally, collaboration between legal experts, technologists, and policymakers is essential to ensure laws remain adaptive and relevant as AI continues to evolve.

Keywords: *Artificial Intelligence, Generative Intelligence, Intellectual Property, Trademarks, Patents.*

1.0 Introduction

Artificial Intelligence (AI) is rapidly transforming the way we live, work, and interact with the world around us. By enabling machines to learn from data, adapt to new inputs, and perform tasks that traditionally required human intelligence—such as recognizing speech, making decisions, or identifying patterns—AI opens up vast possibilities across industries (Ikwuo, Nworie & Moedu, 2024). From virtual assistants and self-driving cars to medical diagnostics and smart manufacturing, AI is driving innovation and efficiency (Mmadubuobi, Nworie & Aziekwe, 2024). As we continue to integrate AI into more aspects of our daily lives, understanding its capabilities, benefits, and challenges becomes increasingly important. More particularly, ggenerative Artificial Intelligence (AI) has transformed content creation, software development, healthcare, and finance. AI models like OpenAI's GPT, DALL·E, Google's Gemini, and Stability AI's Stable Diffusion generate human-like text, images, and music, raising critical intellectual property (IP) issues. While AI facilitates creativity, it challenges traditional copyright, patent, trademark, and trade secret laws. The question of ownership—whether an AI system, its developer, or a user owns AI-generated content—remains unresolved. Additionally, AI's reliance on large datasets, often including copyrighted works,

has sparked lawsuits and regulatory debates. This article explores the intellectual property implications of generative AI, including ownership disputes, infringement risks, and emerging legal frameworks worldwide.

Intellectual Property is the corpus of law that provides for the protection of an author's creative work. It protects the intangible creations of the human intellect. Intellectual Property is a "chose in action" which gives the right holders a right to take legal action upon violation of their right. Intellectual Property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce (Abbott, 2022). It refers to creations of the mind—everything from works of art to inventions, computer programs to trademarks and other commercial signs. There are different types of Intellectual Property. Some of the most used intellectual property protection includes: copyright, trademark, patent, industrial design, geographical indications, etc. Most of the works that will be validly protected under any form of intellectual property must have a form of originality or novelty. What amounts to originality in intellectual property has been largely debated upon, but the majority of scholars have resolved that it is the extent of effort exerted, so it is not fixed.

Intellectual Property laws are used to incentivize creators as a way to foster creativity. It encompasses giving just reward for the immense efforts put into the creative process. IP laws may differ based on the jurisdiction, however there are some bodies and treaties that regulate intellectual property internationally irrespective of the jurisdiction, in a bid to harmonize the principles and rights that apply. These include the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), administered by the World Trade Organisation (WTO), and key conventions administered by the World Intellectual Property Organisation (WIPO) such as the Berne and Paris Conventions and the WIPO "Internet Treaties".

Generative artificial intelligence (GenAI) is a subset of artificial intelligence (AI) (Rossi, Hernandez & Kim, 2023). AI is the ability of machines to perform tasks commonly associated with intelligent beings. It is the intelligence of a machine or computer that enables it to imitate or mimic human capabilities. Generative AI refers to machine learning models trained to generate new content based on patterns learned from large datasets (Storey, Yue, & Zhao, 2025). Unlike traditional AI, which analyzes and classifies data, generative AI creates original text, images, audio, and even code (Goodfellow et al., 2014). Artificial intelligence encompasses learning, problem-solving, decision making, natural language processing, reasoning, etc. Artificial intelligence structure is made from algorithms whether simple or complex depending on the applications involved. Generative AI uses generative models to produce text, images, videos, or other forms of data (Ahn, Kim & Lee, 2023). Generative artificial intelligence uses sophisticated algorithms to organize large, complex data sets into meaningful clusters of information in order to create new content, including text, images, and audio, in response to a query or prompt (Alexander, Blandin & Deming, 2025). One of the most popular generative AI tools is ChatGPT which is used for generating text such as writing articles, stories, poems, scripts, and even code or for composing music or audios based on user prompts.

Prominent generative AI technologies include:

- **Natural Language Processing (NLP) models**: GPT-4, Bard, Claude
- **Text-to-image models**: DALL·E, MidJourney, Stable Diffusion
- **AI-generated music**: Jukebox, AIVA
- **Code generation models**: GitHub Copilot, AlphaCode

These systems learn from millions of text, image, and audio files, raising concerns about intellectual property infringement if trained on copyrighted material without permission.

A.I is trained by a number of processes which can be summed up as follows. First, data which can be in the form of speech, text, image, context, and outcomes are inputted into the A.I

system. Next, it is processed by algorithms and rules which interpret the data. After this, the outcome which is either success or failure is provided based on the data input and processing. The system is then assessed through analysis, discovery and feedback and lastly, adjustment is made to data, algorithms, rules and outcome based on the assessment. It is important to note that the data processing stage is a reasoning phase.

The output and performance of a generative A.I is largely dependent on the quality of data used during the training process. There are different kinds of data that can be used to train AI. The important discussion to have is whether or not they are ethically permissible and this would form the basis of the next discourse. There have been allegations, conspiracies and proven facts that some major AI developers are training the AI models on the creative work of real people, much of which are copyrighted. For instance, in 2023, the *Atlantic* reported finding that Meta trained its large language model (LLM) in part on a dataset called Books3, which contained more than 170,000 pirated and copyrighted books (Alexander, Blandin & Deming, 2025). This is a violation of intellectual property rights, particularly the right of a copyright owner. In this instance, an author enjoys the right to his/her literary work and books fall under this category of copyright. This right entitles him to possess exclusive right and give consent to anyone who needs to reproduce, adapt, publish, broadcast, include the work in an audiovisual work, or use the work in any way with the exception of any manner that amounts to fair use.

The quality of data used in the training of AI models shows the integrity by AI developers and acceptance in the digital marketplace free from encumbrances. It is not new for IP owners of works to sue AI developers challenging the source of materials used in training their AI. In a number of cases, it has been judged as biased data. In China's internet court in Guangzhou, a case was heard that centered around the title character of a Japanese animated TV show, a superhero named Ultraman. Tsuburaya Productions Co. Limited (Tsuburaya) is the owner of the copyright in works associated with the Ultraman series, which includes the Ultraman character. Tsuburaya granted Shanghai Character License Administrative Co. Limited (SCLA) an exclusive license in relation to this copyright in China, including the right to enforce the copyright against infringers and to create derivative works from the originals.

When it became apparent to SCLA that images generated by Tab – a generative AI service provided in China- bore a marked similarity to the original Ultraman character, SCLA sought recourse from the Internet Court. According to Rules entitled "Interim Measures for the Management of Generative Artificial Intelligence Services", effective in China since 1 January 2023, providers of AI services have an obligation to respect the intellectual property rights of others and "not to use advantages such as algorithms, data and platforms to engage in unfair competition". Applying these Rules to the Ultraman case, the Court held that the images generated by the Tab service are derivatives of the original artistic works (an act reserved exclusively for SCLA in China) and, therefore, that they constitute an infringement of the copyright subsisting in these original works (BBC News., 2023). This research aims to give an exposition into the interface between these areas, discussing the conundrum that arises in this interface and proffering a balance to ensure mutual coexistence.

2.0 Literature Review

2.1 Data Scraping

This is the process of extracting data from human-readable outputs coming from other websites or programs through a software code (Thomas & Mathur, 2019). Ethically, it may be legitimate or illegitimate depending on the acceptability by the website owner which is usually included in the website. It can be used to collect copyrighted contents from a website and publish without the authorization required. It can be used for data analysis, research, and training AI models. In such case, information such as articles, images, videos, audios or reviews are collected from

different sources and the used to train their AI models by improving accuracy and precision through it refined machine learning exposure.

The courts in different jurisdictions have to called to address the legality of AI data scraping and its intellectual property implications. A recent case that is currently ongoing is a case where OpenAI was sued for IP infringement in its data scraping method for training its AI (European Commission, 2023). This is still before the Canadian court. On November 29, 2024, a precedent-setting claim was brought forward in the Ontario Superior Court of Justice by several Canadian news companies ("Plaintiffs") against OpenAI, Inc. and its related companies—including OpenAI GP, LLC; OpenAI, LLC; OpenAI Startup Fund I, LP; OpenAI Startup Fund GP I, LLC; OpenAI Startup Fund Management, LLC; OpenAI Global, LLC; OpenAI OpCo, LLC; OAI Corporation; and OpenAI Holdings, LCC—that work to develop, commercialize, and fund OpenAI's AI products (collectively, "Defendants") for allegedly data scraping copyrighted content.

The Plaintiffs represent Canada's leading news outlets that are responsible for publishing journalistic content and media across various platforms, including the Toronto Star, the Vancouver Province, the Calgary Sun, the Calgary Herald, the Daily Herald, the Edmonton Journal, the Edmonton Sun, the London Free Press, the National Post, the Ottawa Citizen, the Ottawa Sun, the Daily Observer, the Daily Press, the Winnipeg Sun, the Globe and Mail, the Canadian Press, and CBC. The Plaintiffs, all well-known players in the Canadian media landscape, argue that the works that each Plaintiff has produced are highly valuable and a product of significant creative efforts and monetary investment. These works are widely distributed across Canada, including on websites, on mobile apps, and through print media. Together, the Plaintiffs host millions of works across various platforms, both owned and licensed by the Plaintiffs.

The Plaintiffs allege that the Defendants have used their intellectual property without proper authorization as a means of building a commercially successful business that has generated enormous profits through the sale of AI-powered products and services. The legal basis of the Plaintiffs' claim is rooted in copyright infringement and breach of contract, specifically alleging that the Defendants' use of the Plaintiffs' works violates Canadian copyright law and amounts to a breach of the Plaintiffs' applicable terms and conditions governing the use of each respective work. In the claim, the Plaintiffs allege that the Defendants are liable for the following: (a) the alleged unauthorized use of the Plaintiffs' copyrighted works by the Defendants in violation of sections 3 and 27 of the Copyright Act; (b) the alleged circumvention of protection measures by the Defendants used by the Plaintiffs to prevent unauthorized copying and access of its works, specifically in violation of sections 41 and 41.1 of the Copyright Act; (c) the Defendants' breach of the Plaintiffs' online terms and conditions governing their respective websites; and (d) the unjust enrichment received by the Defendants for the misappropriation of the Plaintiffs' intellectual property. The Plaintiffs have deployed myriad technical measures to restrict access to their copyrighted works on their websites, including the robot exclusion protocol used to prevent automated scraping of data. Despite this, the Plaintiffs allege, the Defendants have subverted these technical protection measures to gain access to their works and exploit them for commercial purposes.

Additionally, each of the Plaintiffs has endeavored to control how users could interact with and use their works by means of various legal terms and conditions. When accessing the Plaintiffs' works online, users must accept the applicable terms and conditions, which specify that the use of the works is for personal, non-commercial use only and specifically prohibit the reproduction or distribution of the works without express authorization of the Plaintiffs. By allegedly using the Plaintiffs' works for profit through the commercialization of products like ChatGPT Plus and ChatGPT Enterprise, the Plaintiffs assert, the Defendants have breached the Plaintiffs' applicable terms and conditions. The Plaintiffs further contend that the Defendants

have been, and continue to be, unjustly enriched by using the works of the Plaintiffs without their knowledge, consent, or appropriate license. The Defendants have generated billions of dollars in annual revenue through the sale of their products and services: As of October 2024, the Defendants have been valued at a staggering $157 billion (Goodfellow, Bengio & Courville, 2014). The Plaintiffs allege that they have been deprived of significant potential revenue generated by their works.

The Plaintiffs are seeking substantial compensation from the Defendants. The order for compensation requested by the Plaintiffs includes a portion of the profits earned by the Defendants from the alleged infringement of the Plaintiffs' copyright works and circumventing protections; statutory damages set at CAD 20,000 per work; damages for unjust enrichment; and, further, punitive damages for the Defendants' willful misconduct. In addition to the damages sought, the Plaintiffs are requesting both prejudgment and post judgment interest, along with the costs of the legal proceedings. The Defendants have released public statements stating that, based on the principle of fair use, it is fair or in the public interest to use publicly available information to train and improve its AI systems. The "fair use" of public content remains a highly debated practice in the Canadian technology sector. In a joint statement released by a subset of the Plaintiffs, including Torstar, Postmedia, the Globe and Mail, the Canadian Press, and CBC, the news media companies indicated that while they "welcome technological innovations," the act of data scraping of journalistic content for commercial gain is illegal and not in the public's best interest.

The Plaintiffs maintained that this case is about upholding Canadian journalism and protecting the substantial investments made by organizations across the country to produce fact-checked, sourced, reliable, and trusted news and information by, for, and about Canadians. The rapid spread of unverified content has eroded public trust, making it essential for credible outlets to uphold rigorous standards of fact-checking, transparency, and accountability. In an era where anyone can publish content, with or without assistance from an AI system, the role of professional journalists in verifying facts and maintaining ethical standards has never been more vital (European Patent Office, 2021).

2.2 The Argument for Fair Use in Data Scraping

The doctrine of fair use is one of the expectations of copyright in many jurisdictions. The doctrine states that with certain uses of a copyrighted work, there is no need to obtain authorization from the copyright owner as the law classifies these uses under fair use. AI developers have argued that data scraping for the purposes of training AI models is a fair use. The question however is whether training AI models with copyrighted works collected from data scraping the internet is an exception to the exclusive right of copyright owners. As the U.S. Copyright Office explains:

"Fair use is a legal doctrine that promotes freedom of expression by permitting the unlicensed use of copyright-protected works in certain circumstances. Section 107 of the Copyright Act (Gupta, Tiwari & Chaudhary, 2025) provides the statutory framework for determining whether something is a fair use and identifies certain types of uses—such as criticism, comment, news reporting, teaching, scholarship, and research—as examples of activities that may qualify as fair use. Section 107 calls for consideration of . . . four factors in evaluating a question of fair use" (Huang, Zhou & Wang, 2022).

Below are the factors the court considers in deciding whether a use is fair or not.

1. The Purpose and Character of the Use: The question that is asked is what and why is the work used. What is it used for, why are you using it and how are you using the work? These questions are very important in determining the purpose and character of the use. In the words of the U.S. Copyright Office, "Courts look at how the party claiming fair use is using the copyrighted work, and are more likely to find that

nonprofit educational and noncommercial uses are fair." They also explained that "this does not mean, however, that . . . all commercial uses are not fair." They added that "transformative" uses that, "add something new, with a further purpose or different character, and do not substitute for the original use of the work," are "more likely to be considered fair."

2. Nature of the Copyrighted Work: Copyright seeks to promote creativity and its expression thereof. Under this factor, works that involve more creative and imaginative processes when used are rarely allowed to fall under fair use, as opposed factual works. In the creative process, there are some works that involves pouring out more creatively and this usually will take a form of the author's personality. This explains "the personhood theory"

3. The Amount and Substantiality of the Portion Used: As the Copyright Office explains, "courts look at both the quantity and quality of the copyrighted material that was used." This encompasses the length and the value of the work used. Even though it is a small amount, if the heart/message is taken, it may still be viewed as infringement.

4. The Effect on the Potential Market or Value of the Copyrighted Work:

"Here, courts review whether, and to what extent, the unlicensed use harms the existing or future market for the copyright owner's original work." The question to ask is whether the work is causing displacement in sales of the original work currently or in the future.

The courts have been approached in different cases to give an answer to the question of fair use, copyright infringement and AI data scraping, however it must be stated that it is the principles that would be followed on a case to case basis. In a lawsuit which was instituted by New York Times, OpenAI responded that, "training AI models using publicly available internet materials is fair use, as supported by long-standing and widely accepted precedents," and, "based on well-established precedent, the ingestion of copyrighted works to create large language models or other AI training databases generally is a fair use." This was not an articulate argument for defense. It shows that most AI developers even struggle to give valid legal justification backed up with explanation on the use of copyrighted contents for AI training. As it relates to transformative use argument, it is worthy to note that there is a difference when an AI upon prompt given gives a random work of a copyright owner out of the vast data it was trained with and when it gives a work that has been tweaked and changed to an extent even though it was trained with copyrighted content. One would likely pass the test of factors to consider in determining fair use, while the other would likely not pass. The law is dynamic and complex, so are individual cases.

2.3 Understanding Generative AI and Its Legal Implications.

1.1 How Generative AI Interacts with Intellectual Property

Generative AI disrupts traditional intellectual property rights in four key areas:

1.1.1 Copyright.

- AI-generated content lacks clear legal authorship.
- Models may use copyrighted works without authorization.
- Fair use vs. infringement: Are AI-generated outputs transformative?

1.1.2. Patents.

- Can AI invent something and receive patent protection?
- Who is the legal owner of an AI-generated invention?

- AI models may automate patentable processes, challenging traditional human inventorship standards.

1.1.3. Trademarks.

- AI can create logos and slogans that resemble existing trademarks.
- AI-generated branding may lead to consumer confusion and legal disputes.

1.1.4. Trade Secrets.

- AI training models may contain proprietary business data.
- Companies must protect AI-generated business intelligence from competitors.

These complexities demand legal adaptation to ensure AI innovation aligns with existing IP frameworks.

2.4 Copyright and Generative AI

2.4.1 Can AI-Generated Works Be Copyrighted?

2.1.1 Legal Status of AI Copyright Ownership

Under the U.S. Copyright Act (1976), copyright protection applies to works created by a human author. Courts have consistently ruled that AI-generated works do not qualify for copyright protection unless a human contributes significant creative input (U.S. Copyright Office, 2023). For example, in *Thaler v. Perlmutter* (2023), the court upheld the U.S. Copyright Office's rejection of a copyright claim for an AI-generated image, affirming that AI cannot be the author of a copyrightable work (U.S. Copyright Office, 2023).

However, China has taken a different approach, granting AI-generated works copyright protection under certain conditions (Yu, 2021). This international legal inconsistency complicates global AI development.

2.4.2. Copyright Infringement Risks

Generative AI models, such as OpenAI's GPT-4, Stability AI's Stable Diffusion, and Google's Gemini, are trained using vast datasets containing books, articles, artwork, and music—often without permission from copyright holders. This raises key concerns:

2.4.2.1. Unauthorized Use of Copyrighted Works

AI models scrape millions of copyrighted texts, images, and videos from online sources. This has led to lawsuits, such as:

- Getty Images v. Stability AI (2023): Getty sued Stability AI for allegedly using millions of copyrighted photos to train its AI image-generation model without permission (Vincent, 2023).
- Sarah Silverman et al. v. OpenAI and Meta (2023): A group of authors, including Sarah Silverman, filed lawsuits against OpenAI and Meta, claiming that their works were used without permission to train AI models (Roose, 2023)

2.4.2.2. Fair Use vs. Infringement

Courts must determine whether AI-generated content constitutes transformative use (fair use) or copyright infringement. Fair use depends on:

1. The purpose of the AI model (commercial vs. educational).
2. The amount of copyrighted content used.
3. Whether the AI output replaces or competes with the original work.
4. Market effect: Does AI output replace or compete with the original work?

A key example is Google Books v. Authors Guild (2015), where the court ruled that scanning and indexing books for search purposes constituted fair use. Similar principles may apply to AI, but case law is still evolving.

2.5 Proposed Legal Solutions for AI Copyright Challenges

The rise of generative AI has sparked global debate over copyright laws, fair use, and intellectual property (IP) protections. As AI models continue to evolve, governments and legal scholars are working toward regulatory solutions that balance innovation with creator rights. This section explores key proposed legal solutions to address AI copyright challenges, including;

- Mandatory dataset transparency: AI companies must disclose training data source.
- Compensation models: Licensing agreements between AI companies and content creators.
- AI-assisted authorship recognition: Defining human-AI collaboration in copyright law.

2.6 Mandatory Dataset Transparency

Many AI models, including ChatGPT, Stable Diffusion, and Midjourney, are trained on vast datasets sourced from books, articles, images, and music—often without permission from copyright holders. This lack of transparency raises concerns about:

- Unauthorized use of copyrighted works in AI training.
- Ethical concerns over data scraping from the internet.
- Fair use vs. infringement in AI-generated outputs.

For instance, Stability AI (creator of Stable Diffusion) faced lawsuits from artists who alleged that their work was used without consent (Vincent, 2023). Similarly, Getty Images sued Stability AI, claiming that millions of copyrighted photos were unlawfully used for AI training (Roose, 2023).

Legal experts and policymakers propose mandatory dataset transparency laws, requiring AI developers to:

- Disclose training data sources: AI companies must publicly list where they obtain their data (e.g., books, images, music).
- Label AI-generated content: AI outputs should carry watermarks or digital identifiers to distinguish them from human-created works.
- Ensure opt-out mechanisms: Content creators should have the right to prevent their work from being used in AI training datasets.

Legislative Examples

- EU AI Act (2023): The European Union introduced transparency requirements for AI companies, mandating disclosure of training datasets and copyright sources (European Commission, 2023).
- U.S. Copyright Office AI Inquiry: The U.S. is exploring AI transparency rules, requiring companies to explain how copyrighted materials are used in AI training (U.S. Copyright Office, 2023).

These measures would help hold AI companies accountable and protect creators from unauthorized use of their works.

2.7 Compensation Models for Content Creators

Why AI Copyright Compensation Is Necessary

Since AI companies use copyrighted works without compensation, content creators—including authors, artists, and musicians—are advocating for royalties and licensing fees.

Legal scholars argue that fair compensation models should be introduced to:

- Pay artists and writers whose work is used in AI training.
- Encourage ethical AI development through licensed content agreements.
- Prevent exploitation of creative professionals.

Examples of Compensation Models

- Licensing Agreements: AI developers could license copyrighted content directly from authors, artists, and publishers.
- AI Training Royalties: Similar to music streaming royalties, content creators could receive payments when AI-generated content is based on their work.
- Revenue-Sharing Models: AI platforms that generate AI-written books, images, or music could share profits with original creators.

Ongoing Legal Cases

Several lawsuits highlight the need for compensation models:

- Sarah Silverman et al. v. OpenAI (2023): Authors sued OpenAI for using their books without permission to train AI models (Roose, 2023).
- New York Times v. OpenAI (2023): The *New York Times* filed a lawsuit against OpenAI for allegedly reproducing copyrighted articles without licensing fees (Satariano, 2023).

If successful, these cases could set legal precedents for AI licensing and compensation frameworks.

2.7.1 AI-Assisted Authorship Recognition

Current copyright laws do not recognize AI as an author. However, many creative works today involve human-AI collaboration—such as:

- Writers using AI to assist in article drafts.
- Artists using AI tools for digital paintings.
- Musicians composing AI-assisted melodies.

This raises critical legal questions:

- Should AI-assisted works be eligible for copyright?
- How much human involvement is required for copyright protection?
- Should AI tools be credited as co-authors?

Recent Legal Rulings

- Thaler v. Perlmutter (2023): The U.S. Copyright Office ruled that fully AI-generated works cannot be copyrighted, but AI-assisted works may qualify if significant human input is involved (U.S. Copyright Office, 2023).
- China's Copyright Ruling (2021): China granted copyright to an AI-generated article, stating that it involved enough human editing and creative input (Yu, 2021).

These solutions would clarify copyright ownership in the age of AI-powered creativity.As AI technology advances, governments must develop clear, enforceable legal frameworks to protect both innovation and intellectual property rights.

2.8 Patents and Generative AI

Patent laws require human inventorship, but AI systems are increasingly generating patentable innovations. In *Thaler v. Vidal* (2022), the U.S. Patent and Trademark Office (USPTO) ruled that only humans can be listed as inventors on patent applications (USPTO, 2022).

However, AI-driven inventions raise new legal questions:

- Should AI itself be recognized as an inventor?
- Should AI-assisted innovations receive special patent consideration?

2.8.1 Should AI Itself Be Recognized as an Inventor?

Artificial Intelligence (AI) is pushing the boundaries of **creativity, innovation, and automation**. One of the most pressing legal questions is whether AI can be recognized as an **inventor** and whether **AI-assisted innovations** should receive **special patent consideration**.

Understanding AI-Generated Inventions

AI systems are increasingly capable of solving complex scientific problems, designing new materials, and optimizing industrial processes. Examples include:

- DABUS AI System: Created by Dr. Stephen Thaler, this AI independently generated a unique food container and an innovative light-flashing device (Thaler, 2022).
- DeepMind's AlphaFold: Used AI to solve protein-folding problems, leading to breakthroughs in medicine and drug discovery (Jumper et al., 2021).
- IBM's AI-Generated Chemical Compounds: AI has designed novel chemical structures with potential pharmaceutical applications (Ahn et al., 2023).

Current Patent Laws and AI Inventorship

Most global patent laws define an inventor as a natural person (a human being). This presents a major legal challenge because AI is not considered a legal entity.

- United States: The U.S. Patent and Trademark Office (USPTO) ruled that an inventor must be a human (USPTO, 2021).
- European Union: The European Patent Office (EPO) rejected AI inventorship, stating that patents require a human applicant (EPO, 2021).
- United Kingdom: The UK Supreme Court upheld that AI cannot be named as an inventor under current laws (UKIPO, 2022).
- Australia & South Africa: While Australia rejected AI as an inventor, South Africa became the first country to grant a patent listing AI as an inventor (Abbot, 2022).

Arguments for Recognizing AI as an Inventor

Some legal scholars argue that AI should be granted inventor status because:

- AI is generating inventions without human intervention.
- Recognizing AI as an inventor encourages AI-driven innovation.
- Companies using AI deserve exclusive rights to AI-generated patents.

Arguments Against AI Inventorship

Critics argue that AI should not be considered an inventor because:

- AI lacks legal personhood and cannot own property.
- Patent laws are designed to reward human ingenuity.
- Allowing AI inventorship could lead to an explosion of low-quality patents.

Given these complexities, many experts propose alternative solutions—such as special patent considerations for AI-assisted innovations.

2.8.2 Should AI-Assisted Innovations Receive Special Patent Consideration?

Defining AI-Assisted Inventions

AI-assisted innovations involve human-AI collaboration, where AI helps but does not completely invent something new. These cases differ from fully AI-generated inventions. Examples include:

- AI-Generated Drug Formulations: AI models help scientists design new pharmaceutical compounds (Ahn et al., 2023).

- Autonomous Engineering Designs: AI optimizes designs in aerospace, automotive, and architecture (Huang et al., 2022).
- AI-Assisted Coding and Software Development: AI tools generate code snippets that human programmers refine (Luan et al., 2022).

2.8.3 Current Patent Law Challenges for AI-Assisted Innovations

Patent offices worldwide are struggling to define the role of AI in the inventive process:

- How much human contribution is required for a patent to be valid?
- Should AI-assisted inventions get a separate patent category?
- Who owns the patent—AI developers, users, or companies?

For example, in drug discovery, an AI system may suggest a new chemical structure, but a human scientist tests and refines it. In such cases, should the scientist be the sole inventor, or should AI be credited as a co-inventor?

2.8.4 Potential Impact of AI Patents on Innovation

Positive Impacts

- Encouraging AI-driven research and development.
- Improving medical advancements, engineering, and technology.
- Creating new AI-powered business models.

Negative Impacts

- Risk of patent monopolies by large AI firms.
- Unclear legal ownership disputes between AI developers and users.
- Increased litigation over AI-generated patents.

Given these challenges, legal frameworks must adapt to AI's role in innovation while ensuring a fair patent system.

2.9 Proposed Legal Solutions for AI-Assisted Innovations

AI is transforming the way we invent, create, and innovate**,** raising complex questions about patent laws, ownership rights, and legal accountability**.** While traditional patent systems assume that humans are the sole inventors**,** modern AI is actively contributing to scientific and technological breakthroughs**.**

To address these challenges, legal scholars have proposed several solutions to reform patent laws for AI-assisted innovations. These include:

- Special AI Patent Categories**:** Differentiating fully AI-generated inventions from AI-assisted ones.
- Co-Inventorship Models**:** Recognizing AI as a co-inventor when it significantly contributes to an invention.
- AI-Specific Patent Duration**:** Adjusting patent protection to reflect AI's role in the inventive process**.**
- Disclosure Requirements**:** Ensuring transparency in AI-assisted patents by requiring detailed disclosures**.**

Each of these proposals could help balance innovation, legal fairness, and public access to AI-driven advancements**.**

2.9.1. Special AI Patent Categories

Why It's Needed

Current patent systems do not distinguish between different levels of AI involvement**.** Patent laws consider either full human invention or non-patentable AI-generated works**,** which fails to reflect the complexities of AI-human collaboration (Lodish et al., 2023).

Proposed Solution

Creating distinct patent categories for:

- Fully AI-Generated Inventions**:** Where AI autonomously develops an invention without human intervention. These would have special regulations, such as shorter patent durations **or** mandatory public access after a set period**.**
- AI-Assisted Inventions**:** Where humans guide AI but rely on it for crucial contributions. These would follow traditional patent laws**,** but may require proof of human involvement**.**

Challenges

- Defining where human involvement ends and AI independence begins**.**
- Ensuring fair recognition for AI developers and users**.**

Potential Impact

This approach could help prevent legal ambiguity while ensuring that AI-driven innovations are patentable under fair conditions**.**

2.9.2 Co-Inventorship Models

Why It's Needed

Patent law traditionally requires a human inventor, but many AI-assisted innovations involve AI systems making critical decisions (McLaughlin et al., 2022). AI is increasingly responsible for:

- Designing new drugs and materials.
- Generating novel engineering solutions.
- Discovering new algorithms and software architectures.

If AI plays a major role in the inventive process**,** it raises the question: Should AI be considered a co-inventor**?**

Proposed Solution

Some legal scholars propose a hybrid inventorship model**:**

- AI could be listed as a co-inventor when it significantly contributes to an invention.
- AI-assisted patents would require human oversight**,** ensuring that humans remain accountable for ethical and legal concerns**.**
- A new classification system could be developed, identifying patents as "AI-Human Collaborative Inventions"**.**

Challenges

- Recognizing AI as an inventor might contradict existing legal definitions**.**
- Determining when AI's contribution is "significant enough" is difficult.
- Allowing AI inventorship could lead to corporate monopolization, where companies patent vast numbers of AI-generated ideas.

Potential Impact

This model could bridge the gap between traditional patent law and modern AI capabilities**,** **ensuring** both human and AI contributions are fairly acknowledged**.**

2.9.3. AI-Specific Patent Duration

Why It's Needed

Traditional patents typically last 20 years from the filing date. However, AI-generated innovations occur at a much faster rate than human inventions**,** potentially overwhelming the patent system (Patel et al., 2023).

Proposed Solution

A shorter patent duration for AI-assisted innovations, such as:

- 10-12 years instead of the standard 20 years**.**
- Tiered patent protection, where fully AI-generated inventions have even shorter durations (e.g., 5-7 years).
- Encouraging faster commercialization and wider access to AI-driven discoveries.

Challenges

- AI-driven companies might resist shorter patent durations**,** arguing it reduces profit incentives**.**
- Complex global standardization would be required.

Potential Impact

This reform would allow rapid AI-driven innovation while preventing long-term monopolies on AI-generated patents**.**

2.9.4 Disclosure Requirements

Why It's Needed

AI-assisted patents often lack transparency regarding:

- The extent of AI involvement in the inventive process.
- The training data used by AI models.
- Whether AI-generated elements were modified by human inventors**.**

Without clear disclosure, patent examiners, courts, and businesses struggle to assess the originality and ownership of AI-assisted patents (Rossi et al., 2023).

Proposed Solution

Patent applicants should be required to:

- Clearly document AI contributions in their patent filings.
- Disclose the AI systems and training data used in the invention process.
- Provide transparency reports outlining how human inventors supervised or refined AI-generated ideas.

Challenges

- Some companies may resist disclosure to protect trade secrets**.**
- Defining what counts as "sufficient disclosure" could be legally complex.

Potential Impact

This reform could improve patent quality, transparency, and fairness, ensuring that AI-generated inventions are properly assessed and attributed**.**

Conclusion

The debate over AI inventorship and AI-assisted patents remains unresolved. While most legal systems do **not** recognize AI as an inventor, many experts argue that patent laws must evolve.

Key Takeaways;

- AI cannot currently be listed as an inventor, but this may change.
- AI-assisted inventions may require special patent consideration.
- New legal frameworks should balance innovation with intellectual property rights.

As AI becomes more advanced**, global patent laws must adapt to** ensure a fair and transparent system for human and AI-generated innovations.

2.10. Trademarks and Generative AI

AI can generate logos and slogans that resemble existing trademarks, raising infringement risks. Courts may struggle to determine:

- Whether AI-generated trademarks are distinctive.
- If AI-created branding misleads consumers.

As AI increasingly generates **l**ogos, slogans, and brand identities**,** traditional trademark laws must evolve to address new challenges. Two key legal adjustments have been proposed:
AI-generated trademarks could inadvertently mimic existing brands, leading to potential legal conflicts. To prevent this, legal scholars propose:

- Mandatory human oversight before AI-generated trademarks can be registered.
- Requiring businesses to certify that AI-created branding is original**.**
- Establishing AI trademark screening systems to detect similarities with existing marks.

Current trademark laws focus on human-driven infringement, but AI misuse—such as automated brand replication—creates new risks**.** To address this, legal updates could:

- Hold companies accountable for AI-generated trademark violations.
- Establish liability frameworks for AI developers if their models facilitate infringement.
- Introduce automated trademark protection tools to detect AI-generated copycats.

These legal reforms aim to safeguard brand identity while ensuring AI-driven creativity remains ethical and legally compliant**.**

2.11 Trade Secrets and Generative AI

Trade secrets protect confidential business information, but AI models can:

- Leak proprietary data.
- Enable corporate espionage by replicating competitors' technology.

Businesses must implement:

- Strong cyber security to prevent AI data leaks.
- AI-specific non-disclosure agreements (NDAs).

3.0 Findings

3.1 Can AI-generated contents be protected under the Intellectual Property Law?

The surge in the use of Generative AI for creative purposes has caused a transformation in the creation process. In this age, there has been a replacement from intense creative effort, to a much easier and less stressful process. The aim of intellectual property law is to grant a right to authors to protect their work from unauthorized use. In this age, the term “author” has become a much debated concept as it relates to ‘who is’ and ‘what work is’ eligible for protection. Lawmakers, IP policy makers, stakeholders now grapple with addressing this controversial topic.
It must be quickly stated that most laws and treaties that regulate intellectual property were made before the use of Generative AI became prevalent and this is why such laws did not address the consideration of artificial intelligence. Whilst some countries have quickly taken

steps to address the influx of artificial intelligence and how it can be balanced with intellectual property, some countries have not addressed it. The courts have been tasked with addressing this topic in most jurisdictions and they do that with the extant legislation. In determining the issue of copyright ability, understanding the notion of "authorship" is the core. Under most laws, an author is a person and upon examination a person can be a human person or an artificial person. However, the interpretation of an artificial person over the years will include corporate entities and not artificial intelligence or models related. The essence of bestowing copyright on the author is to ensure they enjoy both moral rights and economic rights. Moral right means the right to enjoy paternity and be named as the originator of the work, while economic right is the right to enjoy monetary benefits from the work. While the international legal community are still yet to give clarity on the issue of copyright ability of AI-Generated work, some countries have taken steps to address.

3.1.1 The Asian Countries

China has taken steps to attribute copyright of AI-generated works to the person who undertakes the necessary arrangements for the creation. In this jurisdiction, what is needed is just a minimal effort on the part of the person claiming protection and a proof of fulfillment of the general requirements of intellectual creativity. In the case *Shenzhen Tencent v Shanghai Yingxun* (Jumper, Evans, Pritzel & Hassabis, 2021) where the Nanshan District People's Court had to determine whether AI-created works should be eligible for copyright protection. Yingxun made unauthorized use of a financial review article generated by Tencent using its self-developed AI software. The court established that the AI-generated article possessed originality and constituted a work under copyright law.'

The court's ruling acknowledged that works produced by AI applications such as Dream Writer deserve copyright protection. However, it emphasized that the individual asserting authorship must fulfil the general requirement of intellectual creativity under Chinese law to claim authorship. In this case, Tencent, as the developer of the AI tool, was also the user that used the AI to generate the article. Consequently, the court promptly recognised the article Tencent's work, with minimal analysis. As it relates to whether a user can claim copyright for an AI-Generated content, let's see the case that came before the Chinese court, *Li Yunkai v. Liu Yuanchun* (Lodish, Patel & Green, 2023) which involved images generated by the open-source image generator.

The plaintiff generated an image by inputting prompts into the open-source image generation software and shared them on his social media account. About a month later, the defendant used these images in an article published on another social media platform, notably removing the plaintiff's watermark. This led the plaintiff to claim infringement of his right to attribution and right to disseminate information over the internet, prompting legal proceedings in the Beijing Internet Court. In this case, two primary issues were addressed;

1. Copyright ability: Whether AI-generated images can be classified as "works" In practice, Chinese courts evaluate whether an authorial work qualifies as a "work" by considering four factors: (a) whether the work is in the field of literature, art, or science; and whether the following are present: (b) originality; (c) tangible expression; and (d) intellectual contribution. Of particular significance in this context is the debate surrounding the originality of an AI-generated image.

The court determined that the plaintiff actively designed elements within the images, such as characters and their presentation, through prompts. Additionally, the plaintiff determined the layout and composition of the images using specific parameters. These actions reflected the plaintiff's personal choices and arrangement preferences, thereby imbuing the images with originality. Besides, the plaintiff continuously refined the images by modifying prompts after

the initial image creation. This iterative process further emphasised the plaintiff's aesthetic choices and subjective judgments, reinforcing the presence of originality. It is noteworthy that this is not the first time a Chinese court has examined the copyright ability of AI-generated content.

2. Authorship: Determining the authorship of AI-generated work In Tencent v. Yingxun, the developer was also the user, however, in Li Yunkai v. Liu Yuanchun, where different roles were involved in AI development and usage, the court attributed authorship to the plaintiff who is the user of the AI tool, consequently granting copyright ownership (Luan, Chen & Zhang, 2022). Other countries like Indian, Singapore, Thailand have not made input into the ongoing debates, as they await legal policy. They still hold unto the laws that human authorship is required for copyright ability.

3.1.2 The United States

As it stands in the US, the Supreme Court has interpreted the multiple cases of AI authorship strictly in line with the US Copyright Act. According to the court, the Act made strict mention that copyright is limited to works created by human authors. According to its interpretation, an author is the originator and maker of a work. A work derives its origin from an author and this involves human creativity and inclusion in the creative process. The court in the case of *Feist Publications, Inc. v Rural Telephone Service Company, Inc* (Mallikarjuna & Chittemsetty, 2024) held that a work must be original to the author for it to be eligible for copyright protection.

In the case of *Cetacean Community v Bush* a ruling was issued in 2018 that addressed the question of legal standing for animals, specifically a monkey, in relation to copyright claims (McLaughlin, Thompson & Li, 2022). The court concluded that the monkey had standing under Article III of the US Constitution, which pertains to the jurisdiction of federal courts. However, the court held that the monkey, like all animals, lacked statutory standing under the federal Copyright Act. This case highlighted the distinction between constitutional standing and statutory standing in the context of copyright law. While the monkey was deemed to have constitutional standing to bring a lawsuit, the court determined that the statutory framework of the Copyright Act did not extend copyright protection to non-human animals. Therefore, the monkey's claim for copyright infringement was ultimately dismissed based on the lack of statutory standing.

Furthermore, it is worth noting that the US Copyright Office recently rejected a request for copyright protection for a work titled “A Recent Entrance to Paradise”. The decision by the Copyright Office's board affirmed a previous ruling, citing the absence of human authorship as a key factor in denying the copyright claim (Patel, Zhang & Wong, 2023).

Based on the established precedents and laws, as it stands, an independently generated AI content cannot be registered because of the absence of sufficient creativity and effort attributed to the human author.

3.1.3 The European Union

The EU has two approaches to the issue of copyright stability for AI generated works. The first approach is that when a work is fully and solely generated by AI applications or preplanned by AI's technical considerations and rules without human input and creativity, then originality is not fulfilled and the work will be ineligible for copyright protection. In the case of *Brompton Bicycle Ltd v Chedech/Get2Get* the court reiterated the principle that the realization of a subject matter must not be solely driven by technical considerations, rules, or constraints that leave no room for creative freedom (Roose, 2023). The court emphasized that if a subject matter lacks

the necessary creative freedom due to such constraints, it cannot be considered as possessing the level of originality required to be recognized as a protected work.
The other approach is when the AI is used to assist human creativity and does not completely do the work. So long as human input and creativity is involved, then it will be eligible for copyright.
While this is the current position, a number of jurists have called for clarity in the position.

3.2. What is the Way Forward?

From a realist standpoint, AI is here to stay and we will most likely not see the end of it anytime soon. In addressing the clash between AI and any area, in this case between A.I and Intellectual Property, we need to create a balance and address how there can be mutual coexistence. The following addresses some of the issues discussed above:

1. Website owners should be intentional about putting terms of use that will form the basis of copyright or data infringement claims upon default. Clarity as to what is allowed and what is not allowed should be provided for, so as to deter anyone who intends to scrape data from such websites. Provisions such as prohibition of data scraping, what amounts to data scraping, assertion of intellectual property ownership, user obligations should be included in the terms. Technical measures that can terminate or refuse access upon suspicion of data scraping activities should be put in place. Audit should also be conducted on the terms from time to time to ensure it still covers relevant provisions in line with the law.
2. Companies should embrace the idea of using synthetic data to train their AI models. This reduces the issue of copyright infringement. Artificially generated data, simulated data, and real world data that is anonymized to protect sensitive information should be embraced within the ambit of legal and regulatory compliance.
3. Copyright owners should buy into the idea of using technological protection measures to protect their works. With the use of technology, invisible watermarks can be affixed to digital contents to prevent unauthorized use and to enable easy tracing to find if the work has been used by someone without consent. Whilst this is not one hundred percent fail proof, it can still help to apprehend some IP bad actors.
4. Lawmakers, stakeholders, international policy makers and analysts should review the laws. Most laws are due for amendment and some repeal and reenactment. The debate and controversy as it relates to authorship of AI-generated content can be put to rest to a large extent if different jurisdictions and bodies address it and give a position that the court will follow. This will also put to rest a lot of cases that are instituted for academic reasons or to test the waters.

AI is revolutionizing creativity and innovation, but intellectual property laws are struggling to keep pace. The future of AI and IP law will require:

- New copyright models to compensate creators for AI training data.
- Patent reforms recognizing AI-assisted inventions.
- Stronger AI regulations to prevent trademark misuse and trade secret theft.

4.0 Conclusion and Recommendations

Innovation is the driving force of any successful economy and it is recognized as a key to national development and progress. Balancing the protection of the works of the intellect is a way to promote innovation and on the other end of the divide is artificial intelligence which in itself is an example of innovation which has come to transform the way things are done and bring about ease. The clash between these two areas if not addressed properly by providing clearer legal frameworks and measures, will be impactful negatively on the economy. As the

world is moving and innovation is increasing, policies to balance these surge in innovation must be made proactively too. Legislative silence and dormancy will affect judicial capacity and that is not good for any country. The legal landscape must evolve to balance AI innovation with fair intellectual property protections. To achieve this, governments should prioritize the development of comprehensive legislation that addresses AI-generated content and its ownership. Additionally, collaboration between legal experts, technologists, and policymakers is essential to ensure laws remain adaptive and relevant as AI continues to evolve.

Funding
This article was solely sponsored by the author.

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