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ETHICAL AND LEGAL ASPECTS OF AI-GENERATED CONTENT USAGE

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Abstract

This article analyzes the legal aspects of using generative artificial intelligence (GenAI) in the context of intellectual property rights (IPR) for B2B companies. The basic concepts such as IPR and its main types, GenAI and types of generated content are considered. A legal analysis is conducted on issues related to authorship and rights over AI-generated content, as well as questions of licensing and liability for third-party rights infringement. The article outlines the main advantages and limitations brought about by the introduction of GenAI in the B2B sector. Recommendations are also provided to minimize legal risks for companies utilizing these technologies.

Keywords: generative artificial intelligence (GenAI), intellectual property rights (IPR), copyright, B2B, licensing, content, legal risks.

Introduction

The development of artificial intelligence (AI) technologies over the past decades has fundamentally transformed many aspects of business operations, including content creation processes. One of the technological innovations is the emergence of generative artificial intelligence (GenAI), capable of automatically generating text, images, music, and code. In business, particularly in the B2B sector, GenAI has quickly found applications in marketing, product development, data analysis, and other areas. Its use opens up new possibilities for increasing efficiency, reducing costs, and accelerating content creation processes. However, along with these benefits come new challenges, especially in the field of intellectual property rights (IPR).

As an important element of business competitiveness and value, IPR plays a vital role in protecting the interests of the company. Issues related to authorship and ownership of AI-generated content require special attention in the B2B sector, where the transfer of IPR often forms part of contractual obligations. The purpose of this article is to explore the legal aspects of GenAI use in the B2B context, particularly from the perspective of IPR.

Main part. Defining GenAI and its use in business

An AI class that can create new data based on the analysis and processing of existing information is called GenAI. Unlike traditional AI models that perform predefined tasks, it generates original content using complex machine learning algorithms and neural networks. The use of GenAI in business, especially in the B2B sector, has rapidly grown due to its ability to

automate complex processes and create personalized content for clients and partners. In the B2B environment, such technologies are applied to automatically generate reports, marketing materials, product prototypes, and to enhance user experience by adapting content to individual client needs.

The process of AI content creation starts **with data collection**. Data may be gathered from open sources or from specially curated datasets provided by developers. At this stage, data undergoes cleaning and preprocessing to remove irrelevant or incorrect elements and to format it for model training. **During the training stage**, GenAI uses this data to build a model capable of generating content. Machine learning and deep learning methods, particularly the use of artificial neural networks, form the basis of this training. The model learns patterns in the data. Although GenAI can generate content without human involvement, **optimization and refinement of the results are often required**. Various techniques are used for this, such as fine-tuning the model on additional data or adjusting model parameters to improve the quality of generated content. Approaches like user feedback or quality evaluation algorithms may also be employed to enhance the model's accuracy.

One of the advantages of modern GenAI models is their ability to iteratively create content. This means that based on initially generated data, the algorithm can continue improving the result. This process allows for the creation of higher-quality and more complex outputs in several steps. The GenAI application allows you to create a wide range of content that is actively used in the B2B sector to solve various tasks (fig. 1).

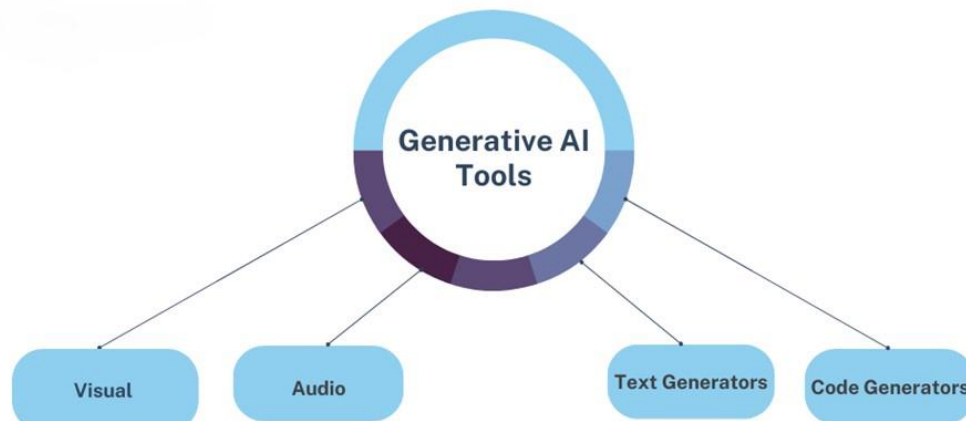


Figure 1. Types of content created by GenAI [1]

One of the applications of GenAI is **text generation**, which includes the creation of marketing materials such as press releases and articles, as well as the automation of report generation. Another significant use of GenAI is in the creation of **visual and audio content**. Companies can use GenAI to develop graphic materials, such as logos, banners, and infographics, accelerating the process of preparing marketing and advertising campaigns. Using GenAI, you can create soundtracks, voice messages, and musical compositions for advertisements, presentations, or podcasts. Another area of application is the **automatic generation of software code**. Using GenAI, it becomes possible to create new software products, optimize existing code and accelerate the development process by creating prototypes of applications and functions, which are then finalized by specialists. This significantly reduces development costs and accelerates the time-to-market for new software products.

Thus, GenAI demonstrates significant potential for transforming business processes in the B2B sector by automating content creation and improving the user experience. Its use helps speed up processes, reduce costs, and enhance the quality of products or services.

Intellectual property in the B2B context

The set of rights protecting the results of human creative and intellectual activity is called IPR. Its primary purpose is to provide legal protection for creative achievements and innovative solutions, granting the owner exclusive rights to use and commercially exploit such results. There are various forms of legal protection for intellectual activity, such as copyrights, patents, and trademarks. Copyrights protect original works of literature, music, art, and other creative forms, granting authors exclusive rights to use and distribute their works. Patents safeguard new technical solutions, including inventions, while trademarks protect brands and commercial names from unauthorized use by third parties.

Companies operating in the B2B space often develop innovative technologies, software, products, or services that require protection to maintain their competitive edge in the market. By providing legal protection for developments, IPR allows companies to protect their assets from unauthorized use or copying by competitors [2]. One of the important aspects of IPR in the B2B environment is the ability to monetize intellectual

assets through licensing, franchising or the sale of patents and trademarks. Companies can license their technologies or products to other enterprises, earning revenue from the use of their intellectual assets. This is especially important for tech companies that can transfer their developments to other firms for further application and adaptation while maintaining control over their innovations.

The introduction of GenAI into the business domain raises new legal questions concerning authorship and ownership rights. Traditional IPR norms assume that a work must have an identifiable author. In the case of AI-generated content, there is legal uncertainty because AI, including GenAI, does not have legal personhood and cannot be recognized as an author or rights holder. As a result, questions arise who owns the rights to the content created by AI, and how are rights distributed among AI users, software developers, and companies utilizing this content.

Copyright over content created by GenAI presents one of the most complex areas of legal practice. The principle of originality, which is the foundation of copyright protection, requires that content be the result of a creative process initiated by a human. However, if AI creates a text or image based on vast datasets and algorithms without direct human intervention, questions arise as to whether such content meets the originality criteria.

In addition to authorship issues, the responsibility for GenAI-generated content is of paramount importance. For instance, if AI generates content that infringes on third-party copyrights (by using protected data elements or copying existing works), who bears responsibility for such infringement. Such situations may lead to complex legal disputes and financial risks, especially in cases where copyright infringement was unintentional but resulted in significant losses for the rights holders. This makes the issue of licensing and rights to training data a critical aspect of developing and using GenAI systems. Thus, for companies operating in the B2B sector, using content generated by GenAI can have both positive and negative consequences (table 1).

Table 1.

Advantages and challenges of using GenAI in the business environment [3, 4]

Advantages of using AI	IPR-related challenges	Business implications
Automation of content creation: Fast creation of texts, images, program code and other content.	The uncertainty of copyright: the lack of a clear interpretation regarding who holds the rights to content created by artificial intelligence.	Potential disputes over the right to created content.
Scalability: AI can generate large amounts of content with minimal cost.	Using training data: training AI on copyrighted data can lead to violations.	The risks of lawsuits for unlicensed use of data.
Personalization and adaptation: AI allows you to create materials tailored to the needs of each client.	Challenges in licensing content created by AI.	Possible restrictions on the commercial use of the content.
Innovation and creativity: AI can offer unique solutions that are not available to humans.	Issues in identifying the parties responsible for third-party rights violations.	Possible fines or reputational losses due to litigation.
Reducing the cost of human resources for routine tasks.	Difficulties in law enforcement: the limited number of legal precedents complicates legal protection.	Uncertainty in the protection of IPR and long-term obligations.

According to the author, the implementation of GenAI offers companies the opportunity to scale content production and introduce innovations in communication and product creation processes. On the other hand, legal risks associated with the use of AI-generated content can significantly complicate companies' operations.

To minimize legal risks, companies using GenAI should develop IPR management strategies that include:

- Clear allocation of rights and responsibilities: concluding contracts with AI developers and clients that clearly outline rights to content created by GenAI and liability for potential IPR violations.
- Licensing of training data: verifying the legality of the data used to train AI models, considering third-party rights and ensuring appropriate licenses.
- Monitoring generated content: regularly reviewing AI-generated content to ensure compliance with IPR requirements and the absence of third-party rights violations.
- Internal control implementation: Creating internal monitoring mechanisms and fine-tuning the AI to reduce the risk of IPR violations and enhance legal transparency.

Content created by GenAI can significantly improve business processes and efficiency in the B2B sector but requires careful attention to legal aspects such as authorship, liability, and IPR protection.

Legal framework for IPR and GenAI-generated content

Currently, most countries lack a clear legal framework regulating IPR for content generated by AI. The legal framework related to IPR is adapted to traditional forms of creativity, where the copyright holder must be a human being.

The Berne Convention, which governs the international protection of copyright, states that the author of a work must be a physical person. This excludes the possibility of assigning copyright to AI-generated content [5]. National laws, such as the USA Copyright Act, are based on the principle of «creative contribution»

which implies that only a human who has engaged in creative activity can claim authorship [6].

In the realm of patent law, there are also limitations regarding inventions created by AI. Most national patent office's require that an inventor be a human. In 2019, there was a precedent where a patent application was filed for an invention created by the AI system DABUS. Patent offices in the USA rejected the application on the grounds that AI cannot be recognized as an inventor [7].

However, the rapid advancement of AI technologies calls for a revision of legal norms. Some jurisdictions have already begun discussing possible legislative changes to regulate the rights to AI-generated content. In the USA, discussions are underway about adapting copyright law to technological changes, but no specific laws have yet been adopted to define how to regulate AI content [8].

Most commonly, user agreements for GenAI specify that the platform or its parent company retains certain rights to the content generated by the AI, especially when it uses proprietary algorithms or data sets. For example, the agreement might state that the user is granted a limited, non-exclusive license to use the AI-generated content, but the company retains the right to use, modify, or distribute the generated material as it sees fit.

With regard to copyright, these agreements often include provisions that aim to clarify how intellectual property rights apply to content generated by AI systems. However, the question of authorship and ownership of AI-generated content remains legally ambiguous, as existing copyright laws typically recognize a human author, and AI systems do not currently meet the legal definition of authorship [9].

Conclusion

The use of GenAI in B2B opens significant opportunities for automation, innovation, and productivity enhancement. However, alongside these benefits, serious legal challenges related to IPR rights arise. Issues of authorship, licensing, and liability for AI-generated content remain largely unresolved within current legal

frameworks. This creates uncertainty for companies using GenAI and can lead to serious legal and financial risks, especially in cases of third-party rights violations.

In the absence of a clear legal framework for regulating AI content, B2B companies must approach IPR management carefully, developing internal policies and clear contracts regarding the use and distribution of rights to GenAI-generated content. Companies should consider potential conflicts related to the use of training data and implement licensing mechanisms to protect against potential lawsuits. The successful use of GenAI requires a balanced approach that combines technological innovation with reliable IPR protection.

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