

Last week, we attended (and <u>one of us presented</u> at) Digital Hollywood's first ever AI Summit, a one-day virtual conference centered on the profound impact of artificial intelligence (AI) on the entertainment industry. The event shed light on the recent proliferation of generative AI and its transformative effects on content creation, distribution, and consumption.

The speakers discussed the challenges and potential opportunities that AI presents to the industry and what it means for the future of entertainment. Here are the key themes we heard at the summit:

Technology Advances Spurring the Boom. The buzz about generative AI may have started in <u>2022</u>, but its reverberation throughout the entertainment industry in 2023 has been quick and encompassing. AI Summit speakers reflected on the technological advancements that facilitated the recent explosion in the use and talk of

generative AI.

- *Huger datasets*: The amount of data available to train AI models is growing exponentially, and this data can be more easily accessed via digital means. AI models can be trained on a broader range of data to perform a larger variety of tasks, such as generating text, translating languages, and writing music.
- *Smarter AI algorithms*: AI algorithms are becoming increasingly sophisticated. This is leading to the development of new AI-powered applications, such as chatbots, virtual assistants, and recommendation engines.
- *More usable AI tools*: The cost of AI is decreasing while its speed is increasing through advancements in computing power, and the usability of the growing number of AI tools is making AI more accessible to businesses and individuals.

Content Optimization, Democratization, and Personalization. A notable aspect of AI highlighted throughout the sessions was its potential to optimize content production and personalize experiences. Many industry representatives expressed optimism about AI's ability to streamline processes such as dubbing content, leading to seamless audio-visual experiences and broader distribution. Several participants observed that content creators might stand to benefit from the ability to generate content in so many new ways and reach the right audience so effectively.

Furthermore, several speakers viewed generative AI as an important catalyst for the democratization of content production, opening up exciting new possibilities for creative storytelling. By breaking barriers previously limited by human creativity, AI-driven content creation could give rise to hyper-realistic digital personas and more engaging and immersive experiences.

Legal and Ethical Guardrails. Alongside the hype and promise of generative AI, speakers highlighted the pressing need to address a host of legal and ethical concerns. Discussions revolved around issues arising from the potential misuse of AI, from deep fakes, deceptive practices, and emotional manipulation to data scraping, copyright infringement and NIL (name, image, and likeness) issues.

To tackle these concerns, some AI companies have proposed implementing <u>watermarks</u> on AI-manipulated images or videos as a form of voluntary regulation. One speaker noted <u>Adobe's development of an AI ethics</u> <u>board</u> that reviews the use of AI in the development of its products, focusing not only on the input used to train the AI but the output generated by the AI, to reveal and remediate any bias or other potentially harmful aspects of its AI tools. Other speakers emphasized the need to balance such ethical dilemmas with the ability to freely create and innovate.

The summit included two sessions focused on the legal issues surrounding generative AI. Questions still linger on whether data scraping constitutes copyright infringement or fair use, whether creating works "in the style of" violates an artist's copyright or right of publicity, and to what extent AI-generated content is protectable intellectual property (IP). We covered some of these issues before, but even since the first set of generative AI lawsuits was filed, there have been at least two class action lawsuits filed alleging copyright infringement, among other things, for the unauthorized taking of copyrighted works "without consent, without credit and without credit and without compensation." Regardless of where the courts settle on these issues, many speakers spoke about the need for effective guardrails to develop quickly enough to match the pace of technological development.

The Impact of AI on Society. Despite the potential of AI to revolutionize content creation, there were cautious warnings about overreliance on the technology. A discussion about the fear of job losses in the entertainment industry arose, particularly in areas currently handled by writers, such as research, outlining, and drafting. Although doubts remained about its ability to fully replicate human creativity, others argued that creatives have historically used AI to automate various production tasks and that optimizing production processes could help them deliver higher-quality content more efficiently.

As AI-generated content continues to evolve, its impact on jobs in the entertainment industry remains uncertain. Nevertheless, it is evident that generative AI is a disruptive force with the potential to <u>completely transform</u> the future of content creation and consumption.

Follow us on social media @PerkinsCoieLLP, and if you have any questions or comments, contact us here. We invite you to learn more about our Digital Media & Entertainment, Gaming & Sports industry group and check out our podcast: Innovation Unlocked: The Future of Entertainment.

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