

April 25, 2024

Suzanne Wilson, Esq. General Counsel and Associate Register of Copyrights U.S. Copyright Office 101 Independence Avenue, SE Washington, DC 20559-6003

Re: *Ex parte* meeting regarding the Copyright Office's Notice of Inquiry on Artificial Intelligence and Copyright [Docket No. 2023–6]

Dear Ms. Wilson:

On April 22, 2024, Universal Music Group (UMG) met via Zoom with the Copyright Office to discuss the Office's study on copyright law and policy issues raised by artificial intelligence ("AI") systems.

UMG participants in the half-hour meeting included:

- Eric Berman, EVP, Public Affairs, UMG
- Alasdair McMullan, EVP, Business & Legal Affairs, Head of Litigation, UMG
- Stephen Dallas, SVP, Business & Legal Affairs and Digital Business Development, Universal Music Publishing Group
- Chris Horton, SVP, Strategic Technology, UMG
- Amy Isbell, SVP, Public Policy and Government Relations, UMG

Participants from the Copyright Office included:

- Suzy Wilson General Counsel and Associate Register of Copyrights
- Emily Chapuis Deputy General Counsel
- John Riley Assistant General Counsel
- Jason Sloan Assistant General Counsel
- Brandy Karl Assistant General Counsel
- Jalyce Mangum Attorney-Advisor
- Nick Bartelt Attorney-Advisor
- Maria Strong Associate Register of Copyrights and Director of Policy and International Affairs
- Andrew Foglia Deputy Director of Policy and International Affairs
- Chris Weston Senior Counsel for Policy and International Affairs

- Emily Lanza Senior Counsel for Policy and International Affairs
- Jenée Iyer Counsel for Policy and International Affairs
- Ben Brady Counsel for Policy and International Affairs
- Danielle Johnson Counsel for Policy and International Affairs
- Isaac Klipstein Barbara A. Ringer Fellow

UMG's presentation focused on the unauthorized use of copyrighted works to train AI algorithms. In our initial Copyright Office comments, we expressed concern that despite our belief that current Copyright Law clearly prohibits the ingestion of entire catalogs as generative AI training material, companies would increasingly ignore the law in their rush to market. UMG conveyed that this concern has been validated. We also expressed worry that the Office's findings and recommendations regarding training on copyrighted works, expected by the end of the fiscal year, will come too late. Litigation and legislative processes aren't built to match the pace of AI developments. Despite robust litigation and policy discussions, the wholesale ingestion of copyrighted works to train AI algorithms has accelerated.

UMG implored the Office to assert that training AI algorithms on copyrights works is infringement and encouraged the Office to convey the clear policy sooner than the scheduled report release date. While UMG believes current law is clear on this point, the extent of abuse in the marketplace necessitates crystal clarity. For that reason, we encouraged the Office to recommend a clarification to Section 106 making abundantly clear copyright owners have the exclusive right to license their works for AI training.

UMG detailed several reasons such messaging affirming the bright-line policy is needed sooner rather than later:

- (1) *The blistering pace of technological developments demands it.* Chris Horton demonstrated two new generative AI services we believe trained on our recordings and musical works: Udio and Suno. In the examples provided, it was obvious the services must have trained on our copyrighted sound recordings and lyrics, given the striking likeness to well-known recording artists and songwriters. Eric Berman noted that the nature of generative AI exacerbates the harmful effects of this copyright infringement during training: once it is ingested by the AI, the removal of training material from generative AI models is practically impossible.
- (2) *Litigation is advancing too slowly*. Alasdair McMullan updated the Office on the most recent action in <u>Concord Music Group, Inc. v. Anthropic PBC</u>, 3:23-cv-01092, (M.D. Tenn.), and expressed concern that none of the many lawsuits on this issue are advancing at the speed necessary to correct marketplace behavior.
- (3) *Urgent and Vocal U.S. leadership is needed to fill policy "vacuum."* Eric Berman expressed that it is critical for the U.S. and the U.S. Copyright Office to speak out on this issue now because they are gold standard authorities on copyright policy, and because AI platforms are ingesting massive amounts of copyrighted content. Given that the Copyright Office is reviewing that issue last, the U.S. has been relatively quiet on the issue of respecting copyright law in the context of AI training. This has led to a policy

"vacuum" in which AI developers have exploited the "vacuum" to cement their gains through policies that were not intended to be used as they are. Many were enacted prior to the age of AI (via overly broad copyright exceptions, for example).

(4) The legitimate AI marketplace is stymied as long as the policy is not asserted. While we're excited by the partnerships and market opportunities presented by AI, the licensing environment is stymied by the AI developers' denial of clarity in the law. Potential partners are unwilling to explore licensing themselves when their competitors have already rushed to market without licensing copyrighted works.

In addition, Chris Horton very briefly discussed technological tools that could be developed to signal the training data is copyrighted or to authenticate human-made works. We also noted our recent partnership with Roland announcing both responsible AI principles and a joint research and development hub focused on developing methods for confirming the origin and ownership of music. Finally, UMG discussed the music publishing community's early rights reservation portal established in response to the "opt-out" provision included in the EU AI Act (www.rightsandai.com).

We greatly appreciate the Office's consideration of this important matter. If you have any follow-up questions or would like any additional information, please feel free to contact Amy Isbell at amy.isbell@umusic.com.

Sincerely,

Universal Music Group

cc: Rhea Efthimiadis, Assistant to the General Counsel