

IPO Copyright and AI: Consultation

About Directors UK

1. Directors UK is the professional association of UK TV and film directors representing over 8,000 members.
2. Film and TV are a great British success story, and directors are key to the creation of what is seen on our screens. The directors' role is to bring a script or story to life, their creative vision draws together all the different creative elements – scripts, actors/contributors, technical crew, designers – to create compelling films and TV.
3. Under Section 9 (2) of the Copyright, Designs and Patents Act 1988¹, the principal director of a film is the first owner of copyright in that film along with the producer.
4. Directors UK is both a membership organisation and a Collective Management Organisation (CMO). We negotiate, collect and distribute residual and royalty payments to directors and provide a range of services including campaigning, legal advice, events, training, and career development opportunities.

Introduction

5. With the rapid advances in AI technology, we welcome the government “recognising the value of human-centred creativity” in this consultation, and for identifying the creative sector as a key pillar in their industrial strategy.
6. The UK is well placed to harness the opportunity AI presents, and creators are by their very nature keen to adopt and embrace new technology. But this should not be at the detriment of their copyright and their ability to be fairly paid for its use.
7. The success of our creative industries needs creative minds to develop new ideas and tell unique stories through writing, film, music, and imagery, all underpinned by copyright protections.
8. Directors UK is a member of CISAC (International Confederation of Societies of Authors and Composers) who represent over 5 million creators worldwide. CISAC recently released a report examining the [economic impact of AI on creators working in audiovisual and music](#). It found that revenues at risk of loss for creators by 2028 are 24% in music, 21% in audiovisual².
9. We believe that robust protections for copyright, combined with transparency are necessary in order to drive growth and innovation in both the creative and tech sectors and ensure fair remuneration for creators.
10. Directors UK welcomes the opportunity to respond to the IPO's Copyright and AI Consultation. We are members of the British Copyright Council (BCC), Creators Rights Alliance (CRA) and Creative UK and would also refer you to their detailed responses.

¹ [Copyright, Designs and Patents Act 1988](#), Section 9

² [Global economic study shows human creators' future at risk from generative AI | CISAC](#) Dec 2025

Section B - Copyright and Artificial Intelligence

Objective 1: Supporting rights holders' control of their content and ability to be remunerated for its use

Objective 2: Supporting the development of world-leading AI models in the UK

Objective 3: Promoting greater trust and transparency

Question 1. Do you agree that option 3 is most likely to meet the objectives set out above?

11. We do not believe that option 3 is the most likely to achieve the first two objectives but it does contain an essential element to support the third objective in the form of transparency, which we believe should be introduced regardless of the options being presented.
12. As regards objective 1, "*Supporting rights holders' control of their content and ability to be remunerated for its use*" this option subverts the usual principles of copyright law by requiring the rights holder to reserve rights in order to have the benefit of those rights. It is not clear whether this is the creation of a new copyright exemption which drops away in certain circumstances (in which case it has to satisfy the Berne Convention three step test), or whether it is introducing a new and unprecedented conditionality to the existence of copyright. On either analysis, this option introduces a new hurdle that makes it more difficult for rights holders to exercise rights. In addition, it is already apparent from the progress of the EU AI regime that there is huge uncertainty over whether an effective and efficient rights reservation mechanism can ever be devised.
13. On objective 2, "*Supporting the development of world-leading AI models in the UK* ", there is no evidence to suggest that AI models would not be able to access high quality data for a reasonable price under the current UK copyright regime. Copyright owners are not wishing to stifle new technology, but they do wish to be able to benefit from the rights given to them by legislation.
14. On objective 3, "*Promoting greater trust and transparency* ", the transparency concepts outlined in option 3 are indeed essential to permit lawful operation of AI models and should be adopted whatever the outcome of this consultation. Without specific new transparency measures, the UK's litigation regime makes it exceptionally difficult for rights holders to enforce rights against the AI sector, thereby rendering those rights meaningless.
15. We also note that option 3 is silent on the issue of historical copyright infringement by AI models. This is a fundamental issue which cannot be ignored.

Question 2. Which option do you prefer and why?

16. UK Copyright law already protects works against being copied, what is needed is transparency from the AI companies about what works they have been using for training so that copyright owners can be remunerated for that use.
17. Full transparency must be the foundation for everything. If, in addition to full transparency, a perfect rights reservation mechanism were to exist, which was fully effective and imposed no costs or additional burden on the rights holder, then the opt-out/reservation of rights might be an acceptable approach to determine whether there are rights holders who are willing to allow their works to be used for training for free. However, as described above, we doubt such a

workable mechanism will ever exist. In the absence of such a tried and tested mechanism then existing copyright law combined with full transparency is the preferred option for approaching authorisation for the exclusive right to copy. (Option 1 with modifications, see below).

18. However, as noted in paragraphs 90 – 93 of the consultation paper, it is important to note that there are some sectors where the individual creator is invariably obliged to assign any copyright interest they have in its entirety to another participant in the production process or exploitation chain. In the case of film and television production, the producer (one of the two co-authors) invariably insists on a full unqualified assignment of the entire copyright interest of the principal director (the other co-author). Very often, the transfer of the copyright is made in exchange for a lump sum. Payments that have been negotiated by Directors UK for exploitation of television programming do not relate to using that programming for AI training purposes and would not entitle our members to any share of payments from licensing for AI training purposes. This means that if the copyright owner of a film or TV programme were to negotiate terms for a copyright licence for AI training, one of the individual authors (the principal director) will likely have no ability to participate in that negotiation or to share in that revenue. We believe that legislative intervention will be required to ensure that fair remuneration for the use of film and TV programming for AI training reaches not only the producer but also the individual author of the programme.

Section C1 - Exception with rights reservation

Question 3. Do you support the introduction of an exception along the lines outlined above?

19. As explained in our answer to question 1, we do not believe the introduction of an exception is appropriate. It would be a dramatic departure from the well-established, widely understood and accepted principles of UK copyright law, which are themselves grounded in international treaties to which the UK is a party.
20. We are also not aware of the existence of a reservation system where every copyright owner is presented with an easy to access, intuitive, free and frictionless method of reserving rights, and there seems very little chance that it will ever exist.

Question 4. If so, what aspects do you consider to be the most important? If not, what other approach do you propose and how would that achieve the intended balance of objectives?

21. See answer to question 3 above.

Question 5. What influence, positive or negative, would the introduction of an exception along these lines have on you or your organisation? Please provide quantitative information where possible.

22. See answer to question 3 above.

Question 6. What action should a developer take when a reservation has been applied to a copy of a work?

23. As a preliminary comment, we are somewhat confused by the reference to “copy of a work” in this question. We assume the reference should just be to a work. That aside, the law is clear. Consent must be obtained before a copyright protected work is used for an act restricted by copyright. If acts restricted by copyright law have already taken place, then the usual remedies must be available to the copyright owner.

Question 7. What should be the legal consequences if a reservation is ignored?

24. It is essential that the law contains meaningful and effective deterrents to any organisation infringing copyright. Given the scale of infringement by AI training companies, and the size of many of those companies, the civil and criminal penalties must be very significant to ensure the rule of law prevails.

Question 8. Do you agree that rights should be reserved in machine-readable formats? Where possible, please indicate what you anticipate the cost of introducing and/or complying with a rights reservation in machine-readable format would be.

25. See answer to question 3.

Section C2: Technical Standards
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Question 9. Is there a need for greater standardisation of rights reservation protocols?

26. We are not aware of any rights reservation system that remotely satisfies the conditions laid out in our answer to question 3.
27. It must be kept in mind that there are lots of different types of works by creators in different repertoires. These have different processes in the creation of works, and finding a standardised way of adding watermarks/meta data and identifying works is a challenge.

Question 10. How can compliance with standards be encouraged?

28. Compliance with any relevant standards would have to be ensured through the adoption of effective deterrents to non-compliance.

Question 11. Should the government have a role in ensuring this and, if so, what should that be?

29. Yes – we believe that a regulatory authority is likely to be needed in order to ensure compliance (in addition to the typical civil remedies).

Section C3: Contracts and Licensing

Question 12. Does current practice relating to the licensing of copyright works for AI training meet the needs of creators and performers?

30. Even though our members, as directors, are one of the co-authors of every film produced, our members are not currently involved in any licensing discussions concerning use of their works for AI training. The reason for this is that in the UK film and TV sector, individual authors of works, including the director, are invariably required to enter into (or procure) a complete and unqualified assignment of their entire copyright interest to the producer – very often in return for a lump sum payment. Payments that have been negotiated by Directors UK for exploitation of television programming do not relate to using that programming for AI training purposes and would not entitle our members to any share of payments from licensing for AI training purposes. So, even if producers enter into discussions for the licensing of films or TV works for AI training, it is unlikely there would be discussions with the directors of those films and in the vast majority of cases, no money would reach the directors of those films. Given the expected impact of AI for the entire film and television sector, this situation is completely untenable and calls for a legislative intervention to remedy it.
31. We believe that the appropriate solution to this problem would be the introduction of an unwaivable and non-transferable right to equitable remuneration for the act of copying for AI training in circumstances where the author has transferred their exclusive right to restrict copying to the producer. This right should only be transferable to a Collective Management Organisation (CMO). The obligation to pay equitable remuneration should rest with the entity performing the relevant AI training operation. In the event that the government were to adopt option 3 (or a variant thereof) the exercise of the opt-out by the producer could be an additional trigger for this right. In the film and TV sector, the essential aim of this new remuneration right would be to ensure that if a producer is receiving licence fees for AI training on a film in which the producer holds the copyright, then the director (as one of the two original co-authors) would also have a right to claim for equitable remuneration directly from the relevant AI company. This would ensure that licensing fees from the AI sector reach the individual creator.

Question 13. Where possible, please indicate the revenue/cost that you or your organisation receives/pays per year for this licensing under current practice.

32. We do not engage in this practice today.

Question 14. Should measures be introduced to support good licensing practice?

33. Please see the answer to question 12.

Question 15. Should the government have a role in encouraging collective licensing and/or data aggregation services? If so, what role should it play?

34. Please see answer to question 12. Clearly the exercise of a new equitable remuneration right would be facilitated by collective management of that right.

Question 16. Are you aware of any individuals or bodies with specific licensing needs that should be taken into account?

35. Please see answer to question 12.

Section C4: Transparency

Question 17. Do you agree that AI developers should disclose the sources of their training material?

36. Yes - this is absolutely essential. In the absence of transparency, no rights owner will be able to find out whether their rights are being infringed.

Question 18. If so, what level of granularity is sufficient and necessary for AI firms when providing transparency over the inputs to generative models?

37. The level of granularity needs to be sufficient to enable rights owners to know whether their works are being used and, if so, by whom and on what scale. We refer you to submissions from the British Copyright Council and Pact regarding transparency requirements.

Question 19. What transparency should be required in relation to web crawlers?

38. See answer to question 18. Baroness Kidron's amendments (136) to the Data (Use and Access) Bill³ proposed a useful approach to transparency in relation to web crawlers.

Question 20. What is a proportionate approach to ensuring appropriate transparency?

39. It is incumbent on the AI developer to provide full transparency. Proportionality is not a relevant test in the context of ensuring that fundamental rights are respected. It is self-evident that providing transparency is unlikely to cost more than a small fraction of the sums being invested by AI developers.

Question 21. Where possible, please indicate what you anticipate the costs of introducing transparency measures on AI developers would be.

40. See answer to question 20.

41. If AI developers wish to use copyright material the costs for identifying the rights holders should be borne entirely by the AI developer as part of their business operation.

Question 22. How can compliance with transparency requirements be encouraged, and does this require regulatory underpinning?

42. We believe this would require regulatory underpinning. There has to be meaningful, legally enforceable sanctions against non-compliance to ensure compliance. A voluntary approach would not offer the necessary safeguards required and would not demonstrate compliance with

³ [Data \(Use and Access\) Bill \[HL\]](#)

UK copyright law. Rights owners must not be forced to shoulder the burden of enforcing compliance.

Question 23. What are your views on the EU's approach to transparency?

43. The principle and purpose of transparency is very obvious. The government should adopt effective measures to ensure that transparency by AI developers happens. Ineffective transparency measures remain ineffective, regardless of whether other countries adopt them.

Section C5: Wider clarification of copyright law

Question 24. What steps can the government take to encourage AI developers to train their models in the UK and in accordance with UK law to ensure that the rights of right holders are respected?

44. The most important step the government can take is to provide a clear and unambiguous framework of UK law which will ensure that all parties understand their rights and responsibilities.

Question 25. To what extent does the copyright status of AI models trained outside the UK require clarification to ensure fairness for AI developers and right holders?

45. If AI developers can completely circumvent UK copyright law by simply asserting that the copying for the AI training took place in an offshore jurisdiction with no effective copyright laws, then this consultation process will have been meaningless. This cannot be the outcome. AI models trained outside the UK and put on the UK market, must comply with the rules and regulations in the UK.

Question 26. Does the temporary copies exception require clarification in relation to AI training?

46. Whilst it seems very clear that the temporary copies exception could not possibly apply to such an economically significant (and non-temporary) act as the training of generative AI programmes, if this defence has been raised by AI companies then the government should make this explicit. Any uncertainty or ambiguity around this will have a negative impact.

Question 27. If so, how could this be done in a way that does not undermine the intended purpose of this exception?

47. This could be achieved with a limited and targeted clarification.

Section C6: Encouraging research and innovation

Question 28. Does the existing data mining exception for non-commercial research remain fit for purpose?

48. We are not best placed to comment on this question.

Question 29. Should copyright rules relating to AI consider factors such as the purpose of an AI model, or the size of an AI firm?

49. We do not believe so. Rights are rights - their existence is not dependent on the size of the user.

Section D: AI outputs - Computer-generated works: protection for the outputs of generative AI
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Question 30. Are you in favour of maintaining current protection for computer-generated works? If yes, please explain whether and how you currently rely on this provision.

50. We are not in favour of maintaining current protection for computer-generated works. We believe that any copyright work should reflect at least one human author's own intellectual creation and should be an expression of their creative choices. The recent clarifications from the US Copyright Office on this topic seem very well-founded.

Question 31. Do you have views on how the provision should be interpreted?

51. See answer to question 30.

Question 32. Would computer-generated works legislation benefit from greater legal clarity, for example to clarify the originality requirement? If so, how should it be clarified?

52. See answer to question 30.

Question 33. Should other changes be made to the scope of computer-generated protection?

53. See answer to question 30.

Question 34. Would reforming the computer-generated works provision have an impact on you or your organisation? If so, how? Please provide quantitative information where possible?

54. It would likely secure the rights of our members in the longer term and therefore encourage overall creative output in the UK.

Question 35. Are you in favour of removing copyright protection for computer-generated works without a human author?

55. See answer to question 30.

Question 36. What would be the economic impact of doing this? Please provide quantitative information where possible.

56. See answer to question 34.

Question 37. Would the removal of the current computer-generated works provision affect you or your organisation? Please provide quantitative information where possible

57. See answer to question 30.

Section D4: Infringement and liability relating to AI-generated content

Question 38. Does the current approach to liability in AI-generated outputs allow effective enforcement of copyright?

58. There must always be an effective remedy for copyright infringement. Without this, rights lose their meaning.

Question 39. What steps should AI providers take to avoid copyright infringing outputs?

59. They must ensure that systems they design do not produce infringing copies of works (as well as ensuring inputs are sufficiently cleared).

Section D5: AI output labelling

Question 40. Do you agree that generative AI outputs should be labelled as AI generated? If so, what is a proportionate approach, and is regulation required?

60. Viewers are already used to the extensive use of CGI in film and television so any new labelling obligations should take this into account. That said, the scope for viewer deception is clearly a major issue as is the question of image rights. Therefore, some new labelling rules will clearly be required.

Question 41. How can government support development of emerging tools and standards, reflecting the technical challenges associated with labelling tools?

61. We are not able to comment on this question.

Question 42. What are your views on the EU's approach to AI output labelling?

62. Some standardisation seems sensible, although age ratings are still mostly country specific and so government should focus on doing the right thing rather than copying others.

Section D6: Digital replicas and other issues

Question 43. To what extent would the approach(es) outlined in the first part of this consultation, in relation to transparency and text and data mining, provide individuals with sufficient control over the use of their image and voice in AI outputs?

63. We defer to those better placed to answer this important question.

Question 44. Could you share your experience or evidence of AI and digital replicas to date?

64. We are not able to comment on this question.

Section D7: Other emerging issues
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Question 45. Is the legal framework that applies to AI products that interact with copyright works at the point of inference clear? If it is not, what could the government do to make it clearer?

65. The key question seems to be whether copying takes place and whether any exceptions apply. Of particular importance is whether any copying has economic significance. The existing legal framework is clear that authorisation must be sought prior to an act of reproduction, regardless of whether the act takes place at the point of inference or during AI model training. The Government could make this clearer by reconfirming that copyright law applies to restricted acts at the point of inference.

Question 46. What are the implications of the use of synthetic data to train AI models and how could this develop over time, and how should the government respond?

66. This area is too nascent for us to comment on.

Question 47. What other developments are driving emerging questions for the UK's copyright framework, and how should the government respond to them?

67. Directors UK is not aware of other issues relating to copyright that should be within the scope of this consultation. The government seems to be aware of the current issues.

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