

Is This the Real Deal? Legal Issues Around Artificial Intelligence in Entertainment Transactions

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PRACTICES AI and Deep Learning

“Is this the real deal?” That’s a question many people are asking about the technological advances changing the way we do business and go about our daily lives. It’s a question we’ll continue to ask as new tech develops at break-neck speed.

Artificial intelligence-powered platforms, most recently ChatGPT, have opened the door to creativity that exceeds human ingenuity. In the media and entertainment industry, AI can create original art (images, music, video and more) from the most basic idea. And while mind-blowing, the AI output also presents legal pitfalls that necessitate risk mitigation by all parties involved.

A party could seek to license or transfer intellectual property based upon the intrinsic value of an original work with full knowledge that the work has been modified, enhanced, or in some cases created by artificial intelligence. This issue may be further complicated with reliance on such false facts by unsuspecting future licensees of the work.

To be safe, every party in future transactions should consider the inclusion of specific representations and warranties, covenants and other pertinent provisions that protect their reliance on the authenticity of the intellectual property subject to the transaction. The true value of the transaction could hinge on these protections.

We are in a position of great power and opportunity, with the chance to harness the potency of AI for good. But how responsibly entertainment dealmakers wield this power will determine the value of each deal, for better or worse. Now that’s the real deal.