



## Artificial intelligence and intellectual property

In January 2025, the Chinese startup DeepSeek released their R1 generative AI model, sending shockwaves through the Dow, and briefly wiping a collective \$1 trillion off of the magnificent sevens's market caps. The model itself was nothing special, performing marginally worse than US competitors, however it performed extremely efficiently, was open weight, so could be run locally on any computer, and was allegedly trained with \$6 million. When contrasting this with the US's \$500 billion Stargate project, OpenAI, at the time the frontrunners of the AI race, alleged DeepSeek had used a technique called Distillation, training itself on the outputs of other AI models to more efficiently digest data. OpenAI however have themselves been heavily criticised for their unlicensed use of the work of others, allegedly training on huge quantities of copyrighted works. Similarly, Meta (formerly Facebook), has been sued for training its Llama model on 7 million pirated books. Despite grey legislation around fair use and AI, Silicon Valley has continued to move fast and break things, with the Trump administration making it clear with executive order 14365 "Ensuring a National Policy Framework for Artificial Intelligence", that no state legislators, particularly those in California, should try get in the way.

When the internet first came to prevalence, music piracy became so commonplace labels and artists had to start using Spotify, giving their music away for free and settling for advertising revenue, significantly reducing their overall income. Allowing Silicon Valley to once again cut-and-run with the copyrighted works of creatives without proper licensing would significantly damage the already bankrupt creative industries. It can also be fairly argued that, considering large language models are often trained on significant portions of the whole internet, society as a whole should receive royalties when this material is used to produce other content. Considering musicians often pay thousands of pounds/euros/dollars to sample music and create derivative works, is it fair AI should be able to train on every song on the internet, regardless of copyright status, and pay nothing?

Despite this, AI is a useful tool which has the potential to transform education, revolutionise healthcare, and greatly increase the global standard of living. Blundering the opportunity to change the world with overregulation is a fate that must be avoided. Making AI prohibitively expensive to use would no doubt be shooting ourselves in the proverbial foot, but there is also no doubt regulation must be made or else AI companies will keep making\* money hand over fist at the expense of the rest of society.

\*It's not strictly accurate to suggest AI companies make money, OpenAI has never made a profit.