EFFECTS OF TECHNOLOGICAL ADVANCES IN ARTIFICIAL INTELLIGENCE ON THE CREATIVE INDUSTRIES

Brief Presented to the Standing Committee on Canadian Heritage

Association nationale des éditeurs de livres (ANEL)

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Overview

The Association nationale des éditeurs de livres (ANEL) thanks the Standing Committee on Canadian Heritage for its interest in the [Effects of Technological Advances in Artificial Intelligence on the Creative Industries](#).

ANEL brings together the vast majority of Quebec and French-Canadian publishing houses that publish a variety of books in French such as novels, essays, poetry, plays, children's books, textbooks, how-to books, scientific works and more. With its [Québec Édition](#) committee, ANEL organizes export activities such as hosting programs, market development missions and collective booths at international fairs and exhibitions. ANEL is part of the world's largest federation of publishers' associations, the International Publishers Association ([IPA](#)), and in Canada, the Coalition for the Diversity of Cultural Expressions ([CDEC](#)).

In 2024 in Quebec, final sales of new books by retailers, publishers and distributors totalled $704.8 million, 4.1% more than in 2023 ($677.3 million). These sales are the highest they have been in the last 10 years (Institut de la Statistique du Québec). Despite the relative health of the French-language book sector in Canada, publishing businesses are facing a number of issues and require increased support to expand and better benefit from technological advances.

In order to inform the Committee about the impact of technological advances in artificial intelligence on the book sector, it is important to address the regulation of AI and some legal debates in Canada, the United States, Europe, the United Kingdom and Australia, consider whether AI is really intelligent, assess its potential and its challenges, and then formulate some public policy recommendations while sharing resources to continue reflection in this regard.

The framework for artificial intelligence in Canada

In Canada, there is no law establishing a general framework specifically for artificial intelligence (AI) technologies. However, our laws of general application govern specific aspects, including those relating to privacy, human rights, civil, tort and criminal liability, competition, employment and intellectual property, in particular the *Copyright Act*. The fact that the *Artificial Intelligence and Data Act* (AIDA) (Part 3 of Bill C-27) died on the Order Paper in January 2025 does not prevent the technological industry from being subject to our rules of law.

There is no exception in the *Copyright Act* to "train" a technology for commercial purposes and that innovation does not have a free pass to steal content. However, since the success of many AI services relies on acts of copyright infringement, more and more businesses in Canada are being accused of plagiarism and parasitism. Legal actions are also underway around the world.

Intellectual property litigation in Canada

Causes of action in Canada include copyright infringement for the illegal reproduction, distribution, peer-to-peer file sharing (torrenting), communication and making available of works; infringement of moral rights; parasitic competition to build business models; and infringement of integrity, dignity and property rights, among other things. It is documented that businesses were

well aware that their plagiarism was illegal and had set aside large sums of money to compensate the rightholders after the fact.

The following is a non-exhaustive overview of Canadian intellectual property lawsuits against Anthropic, Caseway, Databricks, OpenAI, Meta, Mosaicml, NVIDIA, Stability AI, Midjourney, Google and Runway, to name a few:

Anthropic

- Taras Grescoe v. Anthropic PBC (Quebec, July 2025)
- James Bernard Mackinnon v. Anthropic PBC (British Columbia, July and September 2025)

Caseway

- CanLII (CANADIAN LEGAL INFORMATION INSTITUTE) v. Caseway (British Columbia, November 2024)

Databricks and Mosaicml

- Taras Grescoe v. Databricks and Mosaicml (Quebec, July 2025)
- James Bernard Mackinnon v. Databricks Inc. and Mosaicml Inc. (British Columbia, July 2025)

OpenAI

- Michael Dean Jackson v. OpenAI (British Columbia, September 2024)
- The Canadian Press, Toronto Star, Globe and Mail, Postmedia and CBC/Radio-Canada v. OpenAI (Ontario, November 2024)
- La Presse v. OpenAI (Quebec, November 2025)
    - La Presse poursuit OpenIA pour violation de droit d'auteur [La Presse sues OpenAI for copyright infringement]
- Anne Robillard v. OpenAI and Microsoft (Quebec, September 2025)
- Chloé Sabourin v. OpenAI (Quebec, October 2025)

Meta Platforms

- Anne Robillard v. Meta Platforms (Quebec, March 2025). Through a judgment rendered on June 16, 2025, the class is restricted to residents of Quebec
- Clare et al. v. Meta Platforms (Ontario, April 2025)
- MacKinnon v. Meta Platforms and Facebook (British Columbia, April 2025)
- Chloé Sabourin v. Meta Platforms, Facebook Canada, WhatsApp, Instagram (Quebec, October 2025)

NVIDIA

- Taras Grescoe v. NVIDIA (Quebec, July 2025)
- James Bernard Mackinnon v. NVIDIA Corporation (British Columbia, July 2025)

Stability AI, Midjourney, Google LLC, and Runway AI

- Gagné v. Stability AI, Midjourney, Google LLC and Runway AI (Ontario, July 2025)

Intellectual property debates in the United States, Europe, the United Kingdom and Australia

In the United States, there are also more than 50 ongoing legal actions against technology businesses relating to matters of copyright and AI. This legal saga—which has only just begun—has thus far resulted in contradictory decisions, settlements (for example, the Anthropic Copyright Settlement) and the conclusion of licences for our southern neighbours.

Our counterparts at the Association of American Publishers (AAP) report examples of licensing agreements between Amazon and *The Washington Post*, Meta and *Reuters*, Mistral and *Agence France-Presse*, etc.:

- Association of American Publishers Files Amicus Brief in Support of Plaintiffs in Thomson Reuters v. ROSS, A Key AI Case - AAP

Earlier this year, the U.S. Copyright Office analyzed the implications of U.S. copyright and AI in its report on Copyright and Artificial Intelligence:

- Part 1 (July 31, 2024): Digital Replicas

- Part 2 (January 29, 2025): Copyrightability

- Part 3 (May 9, 2025): Generative AI Training (pre-publication)

The day after Part 3 was issued, the Director of the U.S. Copyright Office, Shira Perlmutter, was fired:

- Scott MacFarlane, Trump fires director of U.S. Copyright Office, sources say, CBC News, May 2025

Since then, an appeals court decision has ordered her reinstatement:

- Blake Brittain, US appeals court reinstates Copyright Office director fired by Trump, Reuters, September 2025

According to author Sébastien Broca, the rise of the technological far right can be explained by large entities' desire to evade antitrust policies, dismantle regulations that concern them, have the state fund the structurally loss-making deployment of AI and obtain government contracts, as stated in the article L'extrême-droite technologique contre la démocratie [the technological far right against democracy], published on March 31, 2025, in the journal *EnCommuns*. These libertarian "ideals" opposed to state regulations and refusing any limits to technological deployment are not shared by the majority. Democrats and Republicans alike continue to regulate and reject presidential proposals for a moratorium on technology regulation. For example:

- In a blow to Big Tech, senators strike AI provision from Trump's 'Big Beautiful Bill' (Business Insider, United States, June 2025)

The hearing of the Senate judiciary subcommittee chaired by Republican Josh Hawley illustrates how much the United States still values its creators:

- Too Big to Prosecute?: Examining the AI Industry's Mass Ingestion of Copyrighted Works for AI Training (United States, July 2025)

In the European Union (EU), a copyright exception allows text and data mining (TDM) for commercial purposes, with the rightholder having the opportunity to object:

- DIRECTIVE (EU) 2019/790 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 April 2019.

However, the labelling required to protect works is deemed impractical under this highly contested exception, specifically on the grounds that:

- this system violates the international principle of automatic protection of works,

- TDM does not authorize reproduction and communication by GenAI services,

- training commercial GenAI software without authorization would violate the Bern Convention three-step test, and

- no one knew at the time of adopting the TDM exception that GenAI businesses would invoke it.

A German court recently ruled that the reproduction and making available of works in ChatGPT is not permitted under the European TDM exception:

- GEMA wins landmark ruling against OpenAI over ChatGPT's use of song lyrics, Music Business Worldwide (November 2025)

Other suits are being brought in Europe, notably by our counterparts in France:

- Unis, auteurs et éditeurs assignent Meta pour imposer le respect du droit d'auteur aux développeurs d'outils [Authors and publishers join forces to sue Meta to enforce copyright compliance on tool developers] (France, March 2025)

Moreover, according to the _EU AI Act_, generative AI must comply with transparency requirements and EU copyright law, disclose that content was generated by AI, design models to prevent them from generating illegal content and publish summaries of works used.

In the United Kingdom, where there is a TDM exception for non-commercial purposes, the government had first adopted a pro-AI strategy earlier this year to extend the TDM exception to commercial purposes, subject to the option for rightholders to opt out. Paul McCartney, Elton John and a large creative and media coalition, however, helped put an end to this project, which was described as [TRANSLATION] "American cannibalism of the British soul":

- **Creative Rights in AI Coalition**

- Elton John: I would take government to court over AI plans (United Kingdom, 2025)

Moreover, a recent report sets out recommendations to ensure that the United Kingdom continues to be a superpower and leader in the creative industries:

- Impact of Generative AI on the Novel (United Kingdom, November 2025)

In Australia, although a report also, briefly, recommended an exception for TDM, the government stated that it no longer intended to amend its copyright legislation after an outcry from the creative sector:

- Positive AI news as Australian Government rules out TDM copyright exception (Australia, October 2025)

There is a growing understanding by countries that a TDM exception is the best way to stifle the nascent licensing market and discourage the creation of original content in their jurisdictions.

Is AI actually intelligent?

Although literary creation expresses the richness of the human experience, it appears that the large language models (LLMs) that use it are not intelligent. Looking at them objectively, it is impossible to believe the transhumanist promises that some AI prophets and venture capitalists are trying to sell us:

- Large language mistake: Cutting-edge research shows language is not the same as intelligence. The entire AI bubble is built on ignoring it (United States, November 2025)

Basically, LLMs only mimic the communicative function of language, not the distinct cognitive process of thinking and reasoning. We use language to communicate the results of our capacity to reason, form abstract ideas and make generalizations. Although we use language to think, this does not make language equivalent to thinking. Understanding this distinction is key to separating scientific fact from the speculative science fiction of AI prophets with an interest in promising that their technology is the next great disruptor that will revolutionize everything, make our dreams come true, cure our ills and improve our lives.

Since language is only one aspect of human thought, if an AI system seems to be able to remix and recycle our knowledge, that is all it can do, since it is trapped by the data it is based on. Humans who reason and use language to create and communicate their thoughts will always be at the forefront of transforming and understanding the world.

In addition, LLMs generate text that sounds correct in relation to existing texts, without knowing whether the generated text is actually true by mixing true, false and ambiguous statements in a way that makes it difficult to distinguish among them. Data collected as part of the study News Integrity in AI Assistants reveals significant and systemic problems with AI distortion of content. The problem is such that AI assistants cannot be considered reliable sources of information. Unfortunately, AI seems convincing even when it is fake.

In addition to the issues of intellectual property infringement and disinformation, a review of the news reveals that AI is controversial for its issues in relation to cyber security, privacy, bias, lack of transparency of algorithms, loss of control over their use, deskilling of people, ecological impact, social costs, loss of time, defamation and emotional dependencies on chatbots, among other things.

In terms of adoption, less than 10% of U.S. businesses with 250 or more employees have integrated AI into their processes, and 95% of those that have tried it have not found any benefit. In Canada, just 2% of businesses have seen a return on their investments, as is stated in the article En attendant l'éclatement d'une éventuelle bulle IA à la Bourse [waiting for the potential AI bubble to burst on the stock market] (*Le Devoir,* Montreal, November 2025).

A few days ago, it was revealed that OpenAI was internally testing ads in ChatGPT, and this could redefine the Web economy:

- Leak confirms OpenAI is preparing ads on ChatGPT for public roll out (United States, November 2025)

As noted by the UN Special Rapporteur in the field of cultural rights, Alexandra Xanthaki, while the potential of AI to support human creation is undeniable, most AI tools are hijacked by large corporations whose main motivation is not the progress of humanity, but profit.

Their marketing places such great emphasis on the potentially positive aspects of AI that public attention overlooks its shortcomings, not to mention the rapidly changing nature of the technological propositions, and this makes it difficult to get a clear picture of its advantages and disadvantages. She also notes that, in the arts, the "mindless repetitive actions" that AI purportedly will take care of to make us more creative are often an integral part of the process of creativity.

In the publishing sector, publishers are so inundated with low-quality manuscripts that many refuse to allow "authors" to use generative AI, as stated in the article La création, c'est un humain qui écrit son livre : l'IA envahit le monde de l'édition [creation is a human writing their own books: AI is invading the world of publishing] (*24heures*, Montréal, December 2025).

Regardless of what its fans or skeptics say, if AI were better than human intelligence, it would not need to copy our books. As for the term "artificial," this would be a misnomer, since in reality the large language models and image generators that are the subject of the lawsuits mentioned above are services based on the products of human intelligence, in particular its creations protected by copyright.

Potential and challenges

At the 2025 Frankfurt Book Fair, the world's largest book event, the head of the German subsidiary of the Swedish group Bonnier said he advocated for a distinction between intellectual property issues and the operational tools of AI. His company intends to use AI, for example, to improve metadata management or advertising, while refusing to substitute synthesized voices for human narrators for the creation of audiobooks.[1] Technological development offers potential, as evidenced by the Tamis Robot Reader on the Booksellers.ca platform in Canada.

Faced with plagiarism and technological parasitism, the book and publishing sector nevertheless has major new challenges, such as instituting more copyright lawsuits, documenting the inputs and outputs of works, providing restrictions on the use of content, using blockers for intellectual property-stealing robots, being cautious about the conditions of use for AI tools, raising public awareness, further protecting human creation, rigour and facts, countering humanizing portrayals of AI, adapting, informing, federating, collaborating, learning from other countries, etc.

The success of this battle for intellectual property will determine whether we can trust the content that guides our lives. Moreover, as Special Rapporteur Alexandra Xanthaki points out, "safeguarding space for creativity runs contrary to the imperative to produce more … and faster, which leads to a situation in which people will have to rely on machines in order to write and read an overwhelming amount of works of questionable quality. Creativity requires time, thought and exchange." It concerns more than just the arts: "creativity is what gives meaning to all human activities." Preserving it means protecting the autonomy of thought and "is the necessary response to the sense of a loss of meaning that many people feel in their lives."

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[1] Éric Dupuy. "Bonnier Allemagne en guerre contre les droits anglais," *Livres Hebdo,* Published online October 20, 2025.

Recommendations and resources

Canadian creators must be able to authorize or deny the use of their works through individual or collective licences, just as AI businesses expect their intellectual property to be protected. There is no reason to weaken the protection of creators and rightholders to accommodate businesses that engage in plagiarism and parasitism.

To guide their public policies, Special Rapporteur Alexandra Xanthaki makes the following judicious recommendations to states:

- Reaffirm the value of human creativity and adopt measures that ensure the recognition and visibility of works created by humans, particularly in environments where AI-generated content proliferates;

- Ensure that national and international AI regulatory frameworks explicitly and effectively respect, protect and fulfill cultural rights;

- Protect and promote data sovereignty in the cultural field, as individual and collective authors must retain control over how their data is collected, stored, used and shared in AI systems;

- Strengthen legislative and regulatory frameworks to guarantee the protection of right holders' moral and material interests when their works are used to train AI models, including through transparency requirements;

- Develop and disseminate educational resources and training programs to strengthen the capacity of all, including technology personnel, to understand, use and critically engage with AI systems; and

- Require multinational enterprises operating in the cultural and creative sectors to adopt transparent, fair and rights-based approaches to AI development, with particular attention given to creative impacts and in line with international due diligence standards.

As stated in the Canadian manifesto Art is Human! signed by ANEL in June 2025, real progress is something that is developed, negotiated and designed to benefit as many people as possible and to improve everyone's quality of life.

This is a critical time for the Canadian publishing sector to remain competitive with large foreign publishing groups already developing their own AI tools. Canadian publishers must have the means to develop their technology licensing market, access and develop relevant AI technologies to remain competitive in a changing global market (e.g., automating processes, processing large amounts of information, accelerating analytics, simplifying document management, managing enriched metadata, optimizing marketing and enriching experiences, etc.).

However, the stagnant budgets of federal support programs essential to the book sector have not kept up with inflation for a long time, reducing their ability to adequately support it. For more than two decades, the Canada Book Fund's permanent budget has not increased and its $10 million increase over three years expires next year. As for the Canada Council for the Arts, its programs have also been unable to keep up with the growth of the sector, with only two new publishers being admitted to its core funding program in the last competition.

This problem of renewing funding weakens the chain of book publishing as a whole, starting with authors and publishers, who are so essential to Canadian cultural sovereignty. To continue to flourish, our national literature must face the economic pressures of trade disputes, the

phenomenal rise in raw material costs, the potential and challenges of AI and the need to keep prices affordable.

In summary, Canada must

- Better support Canadian authors and publishers by increasing permanent funding from the Canada Book Fund and the Canada Council for the Arts to ensure they remain competitive at this critical time;

- Ensure that AI developers comply with Canadian legislation;

- Not introduce any new exceptions to the *Copyright Act* or any compulsory licensing systems for text and data mining (TDM) in order to foster the domestic voluntary licensing market; and

- Improve the *Copyright Act* so that fair dealing for educational purposes applies only to educational institutions where the work is not available for licensing, that tariffs approved by the Copyright Board of Canada are enforceable against infringers of works subject to a tariff, and that statutory damages are available to all collectives and rebalanced to deter mass copying.

On this last point, Canada's copyright framework needs to be improved in order to end arbitrary and abusive interpretations of its provisions on so-called "fair" dealing in the education sector outside Quebec. The government's promised action to address this, supported by all parties, is still eagerly awaited by Canada's cultural community.

To learn more, we encourage you to read the **Memos** [in French] and **Resources** [in French] published on our site, in particular:

- MONDIACULT 2025: UNESCO calls for stronger cultural policies and protection for artists

- L'édition canadienne en guerre contre les faux livres d'IA [Canadian publishing at war with fake AI books]

- Face à l'IA, le livre contre-attaque [faced with AI, the book strikes back]

- Le pillage de la création humaine [plagiarism of human creation]

- Undermining human creativity: a risk for civilization

- 20 constats sur le livre et l'intelligence artificielle générative [20 observations on books and generative artificial intelligence]

- Les prophètes de l'IA – Pourquoi la Silicon Valley nous vend l'apocalypse [the prophets of AI – why Silicon Valley is selling us the apocalypse]

- AI, Canadian authors and publishers