

**CHALLENGES POSED BY ARTIFICIAL INTELLIGENCE
AND ITS REGULATION**

Brief submitted to the Standing Committee on Access to Information, Privacy and Ethics

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 Access to Information, Privacy and Ethics (the Committee) for its interest in the [challenges posed by artificial intelligence and its regulation](#).

ANEL represents the vast majority of Quebec and Franco-Canadian publishing houses. Its members publish a wide range of French-language works, including novels, essays, poetry, plays, children's books, textbooks, practical guides and scientific literature. Through its [Québec Édition](#) committee, ANEL also organizes export-related activities such as hosting, trade missions and pavilions at international fairs and exhibitions. ANEL is a member 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 \(CDCE\)](#).

In Quebec, final sales of new books by retailers, publishers and distributors reached \$704.8 million in 2024, an increase of 4.1% compared with 2023 (\$677.3 million).¹ These figures represent the highest level of sales recorded over the past decade, according to the Institut de la statistique du Québec. Despite public interest and the relative health of the French-language book sector in Canada, publishing businesses continue to face a number of issues and require enhanced support to grow and to better benefit from technological advances.

To assist Committee members in understanding the challenges posed by artificial intelligence and its regulation, this brief examines the regulation of AI and legal debates in Canada, the United States, Europe, the United Kingdom and Australia. It also considers whether AI is really intelligent, assesses its potential and its challenges and proposes public policy recommendations. Lastly, it identifies resources to support continued reflection on these issues.

The framework for artificial intelligence in Canada

Canada does not have a specific statute establishing a general framework 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, most notably the [Copyright Act](#) (CA). Although the *Artificial Intelligence and Data Act* (AIDA) (Part 3 of Bill C-27) died on the Order

¹ [New book sales by outlet category, Québec](#), Institut de la statistique du Québec, August 2025.

Paper in January 2025, this does not exempt the technological sector from compliance with Canada's rule of law.

It bears recalling that the CA does not provide an exception to "train" technologies for commercial purposes and that innovation does not confer a licence to steal content. Yet, because the success of many AI services depends on copyright infringement, more and more businesses in Canada are facing allegations of plagiarism and parasitism. Legal actions are also underway around the world.

Intellectual property litigation in Canada

In Canada, causes of action 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 in the development of business models; and violations of integrity, dignity and property rights, among others. It has been documented that businesses were fully aware that their acts of plagiarism were unlawful and had set aside substantial financial reserves to compensate rights holders after the fact.

The following is a non-exhaustive overview of Canadian intellectual property lawsuits against Apple, Anthropic, Caseway, Databricks, OpenAI, Meta, Mosaicml, NVIDIA, Stability AI, Midjourney, Google and Runway, among others.

Apple

- [Joan Thomas and Apple Inc. and Apple Canada Inc.](#) (British Columbia, September 2025)

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)
- [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) In a [judgment](#) rendered on June 16, 2025, the class was restricted to residents of Quebec.
- [Clare et al. v. Meta Platforms](#) (Ontario, April 2025)
- [MacKinnon v. Meta Platforms and Facebook](#) (British Columbia, April 2025)
- [C. 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 U.S., more than 50 legal actions are currently underway against technology companies in relation to copyright and AI. This legal saga—which is still in its early stages—has so far produced contradictory decisions, settlements, including the [Anthropic Copyright Settlement](#), and the conclusion of licensing agreements.

In November 2025, our counterparts at the Association of American Publishers (AAP) highlighted several examples of licensing agreements, including agreements between Amazon and The Washington Post, Meta and Reuters, and Mistral and Agence France-Presse, among others.

- [Association of American Publishers Files Amicus Brief in Support of Plaintiffs in Thomson Reuters v. ROSS, A Key AI Case](#)

Earlier in 2025, the U.S. Copyright Office examined the implications of AI for U.S. copyright in its report [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 dismissed.

- 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 the desire of large technology actors to evade antitrust policies, dismantle regulations that apply to them, secure public funding for the structurally loss-making deployment of AI and obtain government contracts, as stated in his article [L'extrême-droite technologique contre la démocratie](#), published on March 31, 2025, in the journal EnCommuns. These libertarian “ideals”—which oppose government regulation and reject any limits on technological deployment—are not shared by the majority. In the U.S., both Democrats and Republicans have emphasized the need to continue regulating technology and have rejected 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, U.S., June 2025)

The hearing of the Senate Judiciary Subcommittee, chaired by Republican Josh Hawley, demonstrates the extent to which the U.S. continues to value human creators.

- [Too Big to Prosecute?: Examining the AI Industry's Mass Ingestion of Copyrighted Works for AI Training](#) (U.S., July 2025)

In the European Union (EU), copyright law provides for an exception permitting what is known as “text and data mining” (TDM) for commercial purposes, subject to the right of rights holders to object.

- [Directive \(EU\) 2019/790 of the European Parliament and of the Council of 17 April 2019](#)

However, the labelling required for rights holders to indicate their objection to the use of works has been widely criticized as impractical under this highly contested TDM exception, notably on the grounds that:

- it violates the international principle of automatic protection of works;
- it should not authorize the reproduction and communication of works by commercial generative AI services;
- the training of commercial generative AI software without authorization would fail to meet the three-step test under the Bern Convention; and
- at the time the TDM exception was adopted, no one knew that generative AI businesses would rely on it.

A German court has 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 proceedings are underway in Europe, notably in France.

- [Unis, auteurs et éditeurs assignent Meta pour imposer le respect du droit d'auteur aux développeurs d'outils d'intelligence artificielle générative](#) (France, March 2025)

Moreover, under the EU AI Act, generative AI must comply with transparency requirements and EU copyright law. This includes obligations to disclose that content was generated by AI, to design models in a manner that prevents the generation of illegal content and to publish summaries of works used.

In the U.K., where a TDM exception exists only for non-commercial purposes, the government initially pursued a pro-AI strategy in early 2025 that would have extended the exception to commercial purposes, subject to an opt-out mechanism for rights holders. This proposal was ultimately abandoned following opposition from Paul McCartney, Elton John and a broad coalition of creative and media organizations. The proposal was described as “American cannibalism of the British soul [TRANSLATION].”

- [Creative Rights in AI Coalition](#)
- [Elton John: I would take government to court over AI plans](#) (U.K., 2025)

A recent report has since put forward recommendations to ensure that the U.K. remains a global leader and superpower in the creative industries.

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

In Australia, although a report briefly recommended an exception for TDM, the government has since stated that it no longer intends to amend copyright law following strong opposition from the creative sector.

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

In short, there is a growing recognition among states that a TDM exception risks stifling the emerging licensing market and discouraging the creation of original, human-validated content within their jurisdictions.

Is AI really intelligent?

Although literary creation reflects the richness of the human experience, the large language models (LLMs) that use it are not intelligent. Viewed objectively, it is impossible to accept the transhumanist promises promoted by some AI advocates and venture capitalists.

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

In essence, LLMs merely mimic the communicative function of language, but not the distinct cognitive processes of thinking and reasoning. We use language to communicate the results of our capacity to reason, form abstract ideas and make generalizations. While language can support thinking, it is not equivalent to thinking. Recognizing this distinction is essential to separating scientific fact from the speculative science fiction advanced by AI advocates with an interest in presenting their technology as a transformative force 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, an AI system that appears capable of remixing and recycling knowledge is limited to that function alone, constrained by the data that encodes it. Humans, who reason and use language to create and communicate their thoughts, will always remain at the forefront of transforming and understanding the world.

LLMs have also proven to be highly problematic, as they generate text that appears correct in relation to existing sources, without any ability to assess its truth. By mixing true, false and ambiguous statements, they produce outputs that make it difficult to distinguish between fact and fiction. Data collected in the study [News Integrity in AI Assistants](#) (2025) reveal significant and systemic distortions of content. As a result, AI assistants cannot be considered reliable sources of information. Unfortunately, AI outputs seem convincing even when they are false.

In addition to the issues of intellectual property infringement and disinformation, media coverage highlights a wide range of other controversies associated with AI, including cybersecurity risks, privacy violations, bias, lack of algorithmic transparency, loss of control over use, deskilling of workers, ecological impacts, social costs, defamation and emotional dependencies on chatbots.

With respect to 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 report no benefit. In Canada, only 2% of businesses have seen a return on their investments, according to [En attendant l'éclosion d'une éventuelle bulle IA à la Bourse](#) (Le Devoir, Montreal, November 2025).

As a fallback, OpenAI is internally testing ads inside ChatGPT, a move that could redefine the web economy, as reported in [Leak confirms OpenAI is preparing ads on ChatGPT for public roll out](#) (U.S., November 2025).

The UN Special Rapporteur in the field of cultural rights, Alexandra Xanthaki, has observed that, while the potential of AI to support human creation is undeniable, most AI tools are controlled by large corporations whose main motivation is economic profit, not the progress of humanity.

Their marketing places such great emphasis on the potential benefits of AI that public attention overlooks its shortcomings and the rapidly evolving nature of technological offerings, making 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 is said to replace to make us more creative are often an integral part of the creative process.

In the book publishing sector, publishers are so inundated with low-quality AI-generated manuscripts that they are refusing to allow “authors” to use generative AI, as reported in [La création, c’est un humain qui écrit son livre : l’IA envahit le monde de l’édition](#) (24heures, Montreal, December 2025).

Regardless of differing views on AI, if it were superior to human intelligence, it would not need to copy our books. Nor would the term “artificial” be appropriate, as the large language models and image generators at the centre of the legal disputes mentioned above are services built on the products of human intelligence, particularly 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 that he favours a distinction between intellectual property issues and the operational uses of AI. His company intends to use AI, for example, to improve metadata management and advertising, while refusing to replace human narrators with synthesized voices in the production of audiobooks.² Technological development therefore offers potential, as illustrated by the [robot reader](#) on the booksellers.ca platform in Canada.

Faced with plagiarism and technological parasitism, the book and publishing sector faces major new challenges, such as initiating additional copyright litigation; documenting the inputs and outputs of works; imposing restrictions on the use of content; deploying blockers against robots that extract protected material; exercising caution with the terms and conditions governing AI tools; raising public awareness; strengthening the protection of human creation, rigour and facts; countering anthropomorphizing narratives surrounding AI; and continuing to adapt, inform, unite, collaborate and learn from other countries.

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 has emphasized, protecting creativity runs counter to the injunction to constantly produce more and faster, which encourages humans to rely on machines to write and read vast quantities of

² Éric Dupuy, “[Bonnier Allemagne en guerre contre les droits anglais](#),” Livres Hebdo, Published online October 20, 2025.

content of increasingly questionable quality. Creativity requires time, reflection and exchange. It extends beyond the arts alone: creativity gives meaning to all human activity. Preserving it means protecting intellectual autonomy and responding to the sense of loss of meaning experienced by many people today.

Recommendations and resources

Special Rapporteur Alexandra Xanthaki made the following well-founded recommendations to guide public policy:

- 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 fulfil 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 rights 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, genuine progress is developed, negotiated and designed to benefit as many people as possible and to improve quality of life for all. Canadian creators must be able to authorize or refuse the use of their works through individual or collective licensing mechanisms, just as AI businesses expect their own intellectual property to be protected. There is no justification for weakening the protection afforded to creators and rights holders in order to accommodate businesses accused of plagiarism and parasitism.

This is a critical moment for the Canadian publishing sector, which must remain competitive with large foreign publishing groups already developing their own AI tools. Canadian publishers need the means to develop a technology licensing market and to access and deploy relevant AI technologies in order to remain competitive in an evolving global market. This includes, for example, automating processes, handling large amounts of information,

accelerating analytics, simplifying document management, managing enriched metadata, optimizing marketing and enhancing experiences.

However, the stagnant budgets of key federal support programs for the book sector have long failed to keep pace with inflation, reducing their capacity to adequately support it. For more than two decades, the Canada Book Fund's permanent budget has not been increased, and its \$10 million increase over three years expires next year. Similarly, programs at the Canada Council for the Arts have been unable to keep pace with the growth of the sector, with only two new publishers admitted to its core funding program in the most recent competition.

This lack of renewed funding weakens the book publishing value chain as a whole, starting with authors and publishers, who are central to Canadian cultural sovereignty. For Canadian literature to continue to thrive, it must be able to withstand the economic pressures arising from trade disputes, the sharp increase in raw material costs, the potential and challenges associated with 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 (CBF) and the Canada Council for the Arts (CCA) to ensure they remain competitive at this critical time;
- ensure that AI developers comply with Canadian legislation;
- refrain from introducing any new exceptions to the *Copyright Act* or any compulsory licensing regimes 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 collective societies and rebalanced to deter mass copying.

On this last point, it should be noted that strengthening Canada's copyright framework is necessary to put an end to arbitrary and abusive interpretations of so-called "fair" dealing provisions in the education sector outside Quebec. The government's promised action on this issue, supported by all parties, remains eagerly awaited by Canada's cultural community.

To learn more, we encourage you to read the following [documents](#) and [resources](#) [in French] published on our website, 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](#)

- Face à l'IA, le livre contre-attaque
- Le pillage de la création humaine
- Porter atteinte à la créativité humaine : un risque pour la civilisation
- 20 constats sur le livre et l'intelligence artificielle générative
- Les prophètes de l'IA – Pourquoi la Silicon Valley nous vend l'apocalypse
- The impact of artificial intelligence on Canadian authors & publishers