British Copyright Council: A pro-innovation approach to AI regulation Draft Response

The British Copyright Council (BCC) represents those who create, hold interests, or manage rights in literary, dramatic, musical, and artistic works. The following response has been developed with our membership which include professional associations, industry bodies and trade unions which collectively represents the voices of over 500,000 creators, spanning the creative industries.

These right holders include many individual freelancers, sole traders, and SMEs, as well as larger corporations within the creative and cultural industries. Our members also include collecting societies which represent right holders, and which provide licensed access to works of creativity. A list of our members can be found here.

Many BCC members are creators who increasingly work with AI technologies as both assistive and generative tools linked to the works they create. On the other hand, many creators are extremely concerned with good reason, that AI-outputs are and will be used instead of human-authored work. As such, transparency over how creative works can be ingested and adapted throughout this process will be increasingly important and IP licensing safeguards will remain vital to protect against the unfair use and devaluation of copyright protected work. This can be accomplished by respecting existing UK copyright and related rights laws.

The white paper currently outlines 5 clear principles that these regulators should consider to best facilitate the safe and innovative use of AI in the industries they monitor. The principles are:

- safety, security and robustness: applications of AI should function in a secure, safe and robust way where risks are carefully managed
- transparency and explain-ability: organisations developing and deploying AI should be able to communicate when and how it is used and explain a system's decision-making process in an appropriate level of detail that matches the risks posed by the use of AI
- fairness: AI should be used in a way which complies with the UK's existing laws, for example the Equality Act 2010 or UK GDPR, and must not discriminate against individuals or create unfair commercial outcomes
- accountability and governance: measures are needed to ensure there is appropriate oversight of the way AI is being used and clear accountability for the outcomes
- contestability and redress: people need to have clear routes to dispute harmful outcomes or decisions generated by AI Instead of specific legislation

The questions are as follows:

1. *Do you agree that requiring organisations to make it clear when they are using AI would adequately ensure transparency?*

Disclosing and clearly labelling the use of AI regarding both final outputs and ways of working is a necessary baseline. However, additional measures would be required to ensure that there is suitable transparency in the input stage regarding the use of copyright works to help train generative AI algorithms.

However, while labelling within the context of supporting transparency for users of outputs may be helpful for those responsible for managing potential regulatory liabilities for the use of AI, it is not going to be sufficient, or enforceable (at present), to address all cases. For that reason, any requirements need to be both well thought out and practical to implement across different types of AI tools. For example, disclosure that AI is being used to evaluate credit or medical records would look different than disclosure that is required for an image or bodies of text produced by generative AI.

Furthermore, transparently disclosing the use of AI would help mitigate consumer rights related issues we are seeing beginning to emerge. For example, the dissemination of deepfakes and fake news formed from generative AI outputs which can pose a real threat to society.

2. What other transparency measures would be appropriate, if any?

Many licensing solutions to provide access to copyright works for the purposes of AI have already come onto the market and, many more are emerging. For instance, those provided by big publishing houses such as Elsevier, image libraries and agencies, and collective management organisations (CMOs).

We are, however, conscious that Part Three, paragraph 34 of the current White Paper, states that their proposed regulatory framework does not seek to address the balancing of the rights of content producers and AI developers. We strongly urge for this to decision to be re-examined. Any reasonable framework needs to consider the rights of creators and rights holders – whose works are ingested to form machine learning datasets used to train AI programs – as maintaining transparency measures is a keyway to maintain fairness, economic viability, and legal accountability for all. Transparency over machine readable systems which fully consider the issue of licensing consents, alongside traceability, is critical to ensuring the possibility of a well-functioning market.

Protecting the works of creators and rights holders must be an important consideration when developing AI in a transparent and accountable manner. This might include:

> Using authorised data sources: When training AI models, using data from authorised sources, including through licensing where appropriate and is permission-based, will be crucial to avoid infringing on copyright and related rights. Additionally, care should be taken to ensure that data is used only for the intended permitted purpose.

- Implementing internal access controls for AI developers: to limit who can access and use copyright materials which would also serve to avoid inadvertent infringement and help prevent unauthorised use of works in AI development. **It should not be the responsibility of rights holders to "opt out". Rather it should be the responsibility of anyone who wants to use protected data to make sure they are authorised to use this data.** The nature of scraping for massive datasets by which machines are subsequently trained means that machines initially learn from the ingested dataset and do not unlearn. Rather it should be the responsibility of anyone who wants to use protected data to make sure they are authorised to use this data. The assumption should be that authorization is not granted unless such authorization is explicit. Furthermore, rights holders should be able to rely on copyright and related rights protections currently in place in order to avoid implementing measures that could otherwise hurt their ability to publicly display their work.

- Obtaining licenses: Obtaining licenses for copyright materials would also help ensure that works that were used to train application of an AI algorithm or program remain protected in their own rights and rights holders are remunerated across the commercial stages of the model. Any licensing is based on the concept of right holders' choice, it is a decision for the creator whether they want to allow the use of their work for AI purposes including the pre-training of AI foundation models. Transparency will enable clear assessment of the nature of this use.

- Monitoring and logging usage: Monitoring usage and tracking copyright works accessed while ensuring that these logs remain transparent and accessible would help identify and address potential violations of copyright and related rights. This could involve using tools to detect unauthorised use of copyright materials or monitoring user behaviour to ensure compliance with licensing agreements.

By taking such steps, in coordination and partnership with rights holders and creators, AI developers can ensure that they are developing AI applications in a responsible, ethical, transparent and legal manner while also safeguarding the future of the industries upon which they depend for inputs, thereby ensuring future high-quality outputs.

3. Do you agree that current routes to contestability or redress for AI-related harms are adequate?

The UK copyright and enforcement system in principle provides crucial mechanisms for rightholders to enforce their rights, including the role of the Intellectual Property Enterprise

Court Small Claims Track (IPEC SCT) for SMEs and sole traders. However, practical enforcement mechanisms via this route are not supported for managing such cases. The cost of enforcement, value of the ingested work, and speed and agility to adjudicate, do not provide appropriate mechanisms of redress for unauthorised uses. In order to address some of the evidentiary concerns in establishing infringement by the AI output, we repeat the importance of transparency and traceability as regards the data ingested, and the scope of any licence. We hope Government includes transparency provisions ensuring that AI providers to keep records of the creative works used and the respective licences.

4. How could routes to contestability or redress for AI-related harms be improved, if at all?

There is an inherent challenge in pursuing redress for AI-related harms as they relate to infringement since, in many cases, data has been scraped without rights holders consent or the use of licensing to develop many AI models which have now entered the public realm.

However, contestability and redress for AI-related copyright and related rights infringement could be improved in several ways:

- Clear legal framework: The legal framework for AI-related copyright and related rights infringement needs to be clear and unambiguously in line with the UK's existing copyright regime which already defines what constitutes infringement. We cannot stress enough the importance of ensuring inputs into foundational training models and other AI algorithms are accompanied by a duty of care to make sure that training data does not violate third party rights. In addition, ensure there are appropriate, accessible and functioning provisions to enforce copyright and related rights, such as the IPEC SCT for SMEs and sole traders, as well as providing clear and helpful copyright and related rights literacy guidance for AI developers.
- Improved transparency and awareness: Improved transparency in AI development can help prevent infringement in the first place by making AI models and data transparent and accessible, traceable, and ensuring that AI developers have a basic and clear understanding of UK law. This can involve providing guidance for AI developers, rights holders, and the public on how to comply with UK copyright and related rights laws.
- Collaboration and promotion of market-based solutions: Collaboration between stakeholders, such as AI developers, creators, rights holders, and regulatory agencies, both nationally and internationally, could help improve contestability and redress for AI-related copyright infringement through collaboration to develop best practices, standards, and guidelines for AI development which fully considers existing copyright Law, related rights, and rights holders. This would improve *contestability or redress for AI-related harms, or even better avoid such harms from the beginning.*

- Duty of care: Online service providers need to treat the content they host with heightened care. This should include an obligation to preserve any metadata or other watermarks as part of meeting transparency requirements. In addition, providing clear legal routes to market, whereby access to market for AI tools is conditional on compliance with certain accountability and transparency and licensing or permissions requirements regarding the functioning of AI models.

5. *Do you agree that, when implemented effectively, the revised cross-sectoral principles will cover the risks posed by AI technologies?*

In principle, the cross-sectoral principles outlined provide a useful starting point for discussion. However, we see clear challenges in implementation which will need to be addressed to avoid eroding the UK's copyright regime and causing irreparable harm to the economic value of our creative industries. In particular, the principles as currently outlined do not adequately address application of the laws of copyright and related rights or data protection regulation applicable for inputs and the intended purposes of certain AI developments, such as generative AI. This must address the inherent risk current practices pose to violating important rights in the training process. This inputs issue cannot be ignored and is key to having a comprehensive set of principles which is fit for purpose. Furthermore, there needs to be a meaningful backstop where AI firms might not be good actors/compliant, to foster market access, which is predicated on compliance.

6. *What, if anything, is missing from the revised principles?*

We believe that express reference to the vital role that can and should be played by copyright and related rights in developing the transparency, fairness, accountability and contestability and redress principles should be explicit. In addition, the government's approach would benefit from the inclusion of principles which <u>explicitly relate</u> to the input, accountability, and transparency of training data. This should include obligations to make sure that data is sourced legally and that rights holders have transparency and traceability mechanisms that allow them to freely choose to participate- or not- in the value being created from their works.

7. Do you agree that introducing a statutory duty on regulators to have due regard to the principles would clarify and strengthen regulators' mandates to implement our principles, while retaining a flexible approach to implementation?

Any Regulator responsible for oversight of any AI applications linked to different sectors of the economy must have a duty to highlight and support compliance with both the laws of copyright and related rights and data protection laws as a fundamental principle for application of any other sector specific regulatory provisions addressing issues of liability. We are conscious that a nuanced approach may be required to fully support innovation across sectors. However, copyright, related rights, IP and data protection are areas of law that will be relevant for all sectors and should be used as a robust baseline while sector-specific liability issues may need further guidance from sector-specific regulators for finance, defence, medicine, consumer rights and so on.

A clear and uniform structure for IP compliance and data protection compliance would provide support for all regulators looking to the IPO and the ICO for guidance in these areas, as they look to develop sector specific liability. Such a duty could provide regulators with a clear mandate to act against AI-related copyright and related rights infringement and ensure that the necessary measures are in place to prevent and address such infringement. Duties on regulators could include an explicit requirement to develop guidelines and standards for AI development that preserves copyright laws and the needs of copyright holders.

UK regulators could also be required to index and monitor AI development and afforded the power and authority to take enforcement action against AI developers who infringe on copyright. Additionally, given the impact on data protection we strongly suggest a specific statutory duty on the ICO to recognise the protections which are relevant for text and data which attracts rights of copyright and related rights.

We acknowledge there are also potential challenges with implementing a statutory duty on regulators especially regarding resource constraints which would make it difficult to effectively monitor and enforce copyright and related rights laws in the context of AI development. Such monitoring must remain the responsibility of government and the IPO. Nevertheless, providing appropriate governmental safeguards in relation to AI, such as introducing the suggested requirement of recognition for all regulators would certainly help to clarify and strengthen regulators' mandates.

8. Is there an alternative statutory intervention that would be more effective? New central functions to support the framework 9. Do you agree that the functions outlined in section 3.3.1 would benefit our AI regulation framework if delivered centrally?

We recognise that concerns regarding the fragmented regulation which is currently in place would benefit from central coordination and oversight. As we have noted above in our answer to Question 7, failing to do so leads to a danger of creating clashing and confusing guidelines which inadvertently allow for infringement in some sectors to slip through the net.

We also welcome the stated intention that this central coordinating function would also be charged with promoting further collaboration. The IPO for copyright and related rights and the ICO for data protection regulation must have roles here to protect and enable effective ongoing application of existing frameworks. However, for such a function to be fit for purpose, it will need to be appropriately resourced. We recommend setting clear guidelines for all regulators, and where required introduce cross-sectoral statutory duties, to ensure sectors such as the creative industry do not become siloed and fragmented between regulators such as the ICO and CMA for example.

10. What, if anything, is missing from the central functions?

In addition to helping inform and guide businesses and consumers, supporting creators and rights holders who own the underlying data and works needed to help train AI systems, there should be an explicit objective which acknowledges copyright and related rights legislation, and that this acknowledgement is fully embedded within the central functions.

11. Do you know of any existing organisations who should deliver one or more of our proposed central functions?

Not at this stage, but other jurisdictions including the EU are in the process of building this out. The OECD Artificial Intelligence Policy Observatory, which facilitates dialogue and provides multidisciplinary, evidence-based policy analysis and data on AI's areas of impact, could be helpful in providing policy analysis. More specifically, taking the lead on safeguarding the UK's IP framework, which the UK has successful developed over decades, would be astute. It is key that there is harmonisation with other jurisdictions so that UK developed technology can be exported to other international markets. A specific regulator equipped with the appropriate skills might be required to ensure holistic approach which will require collaboration.

12. . Are there additional activities that would help businesses confidently innovate and use AI technologies?

To confidently innovate and use AI technologies without infringing copyright and related rights which damages the UK's existing creative economy, businesses should conduct due diligence, implement best practices, seek legal advice, and collaborate with rights holders to develop AI systems that are both innovative and legally compliant:

- Conducting due diligence: Before using copyright materials in AI development, businesses should conduct due diligence to ensure that they have the necessary rights and permissions to undertake mining or use of the materials. This will often involve obtaining licenses or permissions from rightsholders and creators. In parallel, this would provide an opportunity for rights owners to be clearer over when and why access consents to types of text and data mining are being withheld whether or not subject to licensing discussions/negotiations thereby fostering a commercial marketplace to the benefit of all sides.
- Implementing best practices: Businesses should implement best practices for AI development that considers copyright law, including copyright and related rights literacy, such as developing internal guidelines and policies for AI development, training employees on copyright law, and **incorporating copyright and related rights considerations into the design and development of AI systems.**
- Seeking legal advice: Businesses should seek legal advice from qualified copyright lawyers to ensure that their use of materials in AI development is compliant with copyright and related rights laws.
- Collaborating with creators and rightholders: Collaboration through licensing agreements or partnerships, would help businesses obtain the necessary permissions to use materials in their AI development.

12.1. If so, should these activities be delivered by government, regulators or a different organisation?

There are several market-based solutions for licensing which are currently in place and many more are being developed by rights holders. It is crucial that government intervention does not inadvertently result in undermining what is still a relatively nascent and innovative market for rights holders.

However, government can and should play a role in creating a legal and regulatory framework that supports innovation in AI development while preserving copyright. Regulators could take measures, in collaboration with rightsholders and creators, to develop guidelines and standards for AI development within sectors of the economy that include specific requirements

for compliance with copyright law. Regulators could also be empowered to monitor AI development and actively take enforcement action themselves against AI developers who infringe on copyright. Government and regulators hold the responsibility of ensuring accountability of AI development.

We also encourage government to work directly with industry, to develop best practices and guidelines for future foundational AI development that consider copyright laws and the needs of copyright holders. The British Copyright Council and our members would be especially well placed to take this forward.

13. Are there additional activities that would help individuals and consumers confidently use AI technologies?

Consumer trust that an AI product doesn't mislead or infringe on copyright and/or related rights so that the underlying learning model is not based on illegal/unverified content must be an important aspect of AI product development and use. For example, AI developers should provide clear and concise information to consumers about who owns the copyright status of their products and the types of activities that are permitted under the law. This would help consumers understand their rights and responsibilities when using AI products.

In addition, AI developers should be transparent about how their products work and interface with the underlying data that is used to inform the algorithm. This includes providing clear explanations of how AI systems operate, how data is originated, collected and used, and how AI-generated results are produced, as well as enabling traceability to the sources for their ML datasets.

Mechanisms for holding AI developers accountable for infringement would also help build consumer trust. This includes establishing clear lines of responsibility and accountability for AI decision-making and creating processes for addressing grievances and complaints related to copyright and related rights infringement – see earlier comments on enforcement.

Lastly, education and training for consumers on copyright laws and best practices for using AI products can help build confidence in the compliance of AI products. This includes providing guidance on how to use AI products in a way that is consistent with copyright and related rights while not infringing on the rights of creators and rights holders.

13.1. If so, should these activities be delivered by government, regulators or a different organisation?

These activities should be delivered in a consistent manner by government and regulators while working in partnership with industry.

14. ***Are there additional activities that would help businesses confidently innovate and use AI technologies?***

Avoiding overlapping, duplicative, or contradictory guidance on AI issued by different regulators will require effective coordination and collaboration between regulators at national and international levels- a central coordinating body could help with this. Strengthening the role of the UK IPO and resourcing it to take on new coordinating and enforcement responsibilities with respect to AI and copyright and related rights would also be of benefit to avoid the creation of overlapping, duplicative or contradictory guidance on AI. This would support the role of the IP and AI Minister appointed by the government.

Monitoring and evaluation of the framework

15. ***Do you agree with our overall approach to monitoring and evaluation?***

We agree with the overarching principles but note that there are some inherent challenges which will need to be addressed. For example, the current approach may not give regulators enough power to pursue issues with AI systems that do not follow the government's stated principles. Exploring the possibility of government certification and licensing requirements that can be revoked if an AI system or product is found to have been developed in a manner inconsistent with these principles may be an avenue worth exploring. Revoking permissions in cases where there are bad actors or non-compliance would also strengthen the regulators' role, otherwise monitoring and evaluation are pointless.

Furthermore, identifying aims and objectives of the framework while ensuring they do not infringe on existing rights will be key. Given the economic importance of the creative works that are used to train AI platforms and products, rights holders and creators should be consulted as the performance indicators are defined.

Once the objectives of the framework have been identified and suitable performance indicators have been developed, data should be collected, analysed, and reported on through regular reviews and updates which allow for renewed cross-sectoral input. As AI technologies evolve and new challenges emerge, it will be crucial that we ensure the AI framework remains effective, relevant, and consistent with the UK's copyright regime.

16. *What is the best way to measure the impact of our framework?*

Measuring the impact of the framework will involve assessing whether it is achieving its intended goals and objectives. In addition to quantitative data such as the number of AI applications developed and deployed, the type, use and intention of developed AI programs, the number of infringement cases, or the amount of revenue generated by AI-related industries, we cannot underline enough the need to also collect qualitative data that will provide a more nuanced understanding of the impact of the framework on rights holders and creators.

17. *Do you agree that our approach strikes the right balance between supporting AI innovation; addressing known, prioritised risks; and future-proofing the AI regulation framework?*

We believe more work needs to be done to ensure that the UK's copyright regime is not inadvertently undermined and as a result impacting our creative industries contribution to the UK economy. Doing so will future-proof the AI regulation framework and would foster more trust and cross-sectoral collaboration. The failure to do so would not only cause harm to the known strengths of the UK's IP industries but would also undermine the ability to promote innovation.

Regulator capabilities

18. Do you agree that regulators are best placed to apply the principles and government is best placed to provide oversight and deliver central functions?

There is a clear role for regulation.

However, the IPO is not a regulator in its own right. It does however have a role in promoting and ensuring the copyright law is recognised and applied effectively across all parts of the economy.

For regulation to be effective, regulators must be linked to recognition of the role played by the IPO and must be suitably resourced and empowered to take on the oversight and enforcement measures which are inherent to the development of ethical AI. This will also require the lateral interaction between various regulators in particular the ICO and the CMA as well as the IPO whose regulatory role at the moment is very limited.

19. As a regulator, what support would you need in order to apply the principles in a proportionate and pro-innovation way?

Not applicable for the BCC.

20. Do you agree that a pooled team of AI experts would be the most effective way to address capability gaps and help regulators apply the principles?

We do not agree. A wide spectrum of expertise will be necessary in order to reduce the risk of bias and to ensure that regulators are supported by a broad range of perspectives and expertise as they begin to put these principles into practice. We also challenge the definition/notion of AI experts; in our experience specialists exist for the law, for policy, for business and for technology, in relation to individual sectors. It is key that the relevant specialists are brought together to identify the issues in the context of a specific AI application.

Tools for trustworthy AI

21. Which non-regulatory tools for trustworthy AI would most help organisations to embed the AI regulation principles into existing business processes?

We will limit our answer to the copyright and related rights perspective. Ultimately, the most helpful non-regulatory tools for embedding AI regulation principles into existing business processes will likely depend on the specific context and needs of each organisation and a combination of different tools and approaches may be necessary to achieve the desired outcomes. However, the following non-regulatory tools could be helpful in this regard if they are developed in a manner which is fully consistent with the UK's current copyright framework:

- Standards and guidelines: Standards and consistent copyright and related rights adherent guidelines could help provide clear and consistent guidance on how to design, develop, and deploy AI systems in a trustworthy manner which provide for compliance with existing copyright law.
- Best practices: Best practices could be shared to provide practical guidance on matters such as securing suitable licensing or working with other permissions based systems; logging and auditing inputted works; and labelling relevant AI-generated works as such. This would also ensure that AI learning tools are not built upon unauthorised content or material that rightsholder wish excluded from such uses. However, promoting best practice does not replace the need for clear regulation on transparency and auditability.
- Training and education: Training and education on matters relating to AI, copyright and related rights, in the form of training and guidance, could help organisations to build the knowledge and skills necessary to pursue innovation while avoiding infringing on the rights of creators and rights holder. To stress, this is not a zero-sum game.

Final thoughts

22. Do you have any other thoughts on our overall approach? Please include any missed opportunities, flaws, and gaps in framework.

We again stress the need for a coordinated approach between the IPO and the relevant regulators in our sector ideally under the oversight by one regulator; too many regulators for one sector will only lead to confusion rather than improving transparency. More consideration should also be given to addressing how the proposed framework could address the "inputs" question while incorporating meaningful enforcement mechanisms.

Legal responsibility for AI

L1. What challenges might arise when regulators apply the principles across different AI applications and systems? How could we address these challenges through our proposed AI regulatory framework?

See previous comments about the significance of a lateral approach to recognition and application of the exiting legal framework for copyright and related rights and data protection legislation.

Beyond this it will depend on the approach of the relevant regulator(s). There is a need to ensure cooperation between stakeholders in order to inform the voluntary approach to the framework as it currently stands. The 'mediating' role of regulators will be crucial to accomplishing this. To repeat we don't foresee a one size fits all approach to explanation of copyright and related rights matters however, the underlying framework has to be consistent, clear and in line with the existing UK's copyright regime, in order for specific sector to interact with specific activities of regulators.

L2.i. Do you agree that the implementation of our principles through existing legal frameworks will fairly and effectively allocate legal responsibility for AI across the life cycle? L.2.ii. How could it be improved, if at all?

As suggested in our answer to L1, the implementation of the principles outlined through existing legal frameworks has to be very high level and in line with current copyright, related rights, and data protection laws in order to grant regulators the scope and confidence to engage in targeted sector-specific activities. The principles could be strengthened by clear regulation on transparency and auditability of AI tools - rules on how to build a responsible AI

model embedding good practice ex ante - to ensure legal certainty and balanced, well-functioning market.

L3. If you are a business that develops, uses, or sells AI, how do you currently manage AI risk including through the wider supply chain? How could government support effective AI-related risk management?

Not Applicable

Foundation models and the regulatory framework

F1. What specific challenges will foundation models such as large language models (LLMs) or open-source models pose for regulators trying to determine legal responsibility for AI outcomes?

Open-source foundational models pose a huge risk, especially if not regulated, since they provide an opportunity for both data laundering and unauthorised copyright use.

There are demonstrated bad actors already doing this. LLMs, generative AI, and opensource models will likely pose specific challenges for regulators trying to determine legal responsibility for AI outcomes from a infringement perspective. Since these models are often extremely complex, it can be difficult to understand how they make decisions or generate output and what data has been used to help the model reach this decision. This makes it challenging to identify specific causes or cases of copyright and related rights infringement and to determine who is responsible for them. In effect, open-source foundational models pose a huge risk if their development and applicatioare not regulated since they provide an opportunity for data laundering - there are demonstrated bad actors already doing this.

Furthermore, these models are often developed collaboratively by multiple individuals and organisations, and across jurisdictions, which creates further difficulties in determining who is responsible for any negative outcomes that may arise. The use of open-source models in particular can further complicate this issue, as it may not be clear who has contributed to the development of the model itself.

Since these models are trained on large datasets that include a wide range of content, which may or may not be under the protection of copyright and related rights, this makes it potentially difficult to determine who is responsible for any specific data point, decision, or inclusion of infringing copyright material. Determining ownership of the training data and whether it has been lawfully obtained can be challenging, particularly when the data has been collected from multiple sources. The output generated by foundation models itself may also contain copyright content, such as text or images. Additionally, the use of transfer learning techniques can make it challenging to understand how a particular model has been influenced by prior training on other datasets which may have infringed on copyright and related rights.

To address these challenges, regulators may need to develop new approaches for determining legal responsibility and agreed standards for AI outcomes that include looking at the originating data/creative works at their source– addressing accountability, traceability and transparency matters. This will also likely require collaboration between different stakeholders, including the creative sector, industry, academia, and civil society, to ensure that these issues are addressed in a comprehensive and effective manner. Having agreed industry standards will play a crucial role in applying a transparent and certain approach across sectors. They will be invaluable and should be agreed in consultation between all stakeholders.

F2. Do you agree that measuring compute provides a potential tool that could be considered as part of the governance of foundation models?

Out of scope for this response.

F3. Are there other approaches to governing foundation models that would be more effective?

Out of scope for this response.

AI sandboxes and testbeds

S1. Which of the sandbox models described in section 3.3.4 would be most likely to support innovation?

S2. What could government do to maximise the benefit of sandboxes to AI innovators?

S3. What could government do to facilitate participation in an AI regulatory sandbox?

S4. Which industry sectors or classes of product would most benefit from an AI sandbox?

We are looking forward to developing respective sandboxes linked to future AI foundational models linked to the creative industry sectors in cooperation with the tech sector. This will help us identify the practical issues which have as yet eluded us.

Members have not reported any requests from AI developers to use works represented by BCC Members in such a manner to date. Government will have a key role to coordinate such cooperation; the key aspect is to convince all stakeholders to be open and transparent in order to take the conversation forward.