TECHNOLOGY WHITE PAPER / COPYRIGHT AND INTELLECTUAL PROPERTY

Copyright and AI Training Data

What courts have decided, what creators can license, and how developers can prove what they used

48PEGASUS Research / Co-authored by Jonathan G. Browning, Founder & CEO of 48PEGASUS

November 19, 2026

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EXECUTIVE FINDINGS AND LEGAL FRAMEWORK

Executive summary

FIELD NOTE

The legally relevant object is a particular use of a particular work, not an entire product category.

The dispute

Generative models rely on large collections of material, but membership in a corpus does not tell us where copies came from, what was done with them, or whether a generated result competes with the source. Creators and publishers seek consent, compensation, attribution and enforceable limits. Developers argue that learning statistical patterns is a different purpose and that impractical clearance costs can foreclose useful systems. Neither argument resolves the status of every act. [6]

A U.S. fair-use defense weighs the specific purpose and character, nature of the work, amount used, and effect on the relevant market. The district court in [*REDACTED*] treated training, scanning bought books, and obtaining copies from unauthorized online sources as distinct acts. The later $1.5 billion class settlement resolved defined claims and does not set an industry-wide license price. [1] [11] [9]

The finding

The strongest organizational response is to preserve the origin and permitted uses of material at acquisition, then bind each model and retrieval system to a traceable record. Separate training from storage, retrieval, and display. Test outputs for reproduction and substitution before and after release. Document what is known, what was inferred, and what the provider could not substantiate.

This paper compares court records, creative-sector markets, and international rules. It proposes controls for developers, enterprise buyers and rights holders. Controls are operational recommendations, not legal safe harbors. The evidence is current through November 19, 2026; pending litigation and administrative implementation may change. The governing question is not whether AI can learn, but whether an identified party can explain and defend an identified use, with evidence a different reviewer can reproduce.

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EXECUTIVE FINDINGS AND LEGAL FRAMEWORK

The six acts that get conflated

FIELD NOTE

The same work can move through several legal and technical contexts. Track those transitions separately.

From access to training

Access is the ability to obtain material; acquisition is the act of collecting a copy or licensing access. Retention means keeping a copy in a library, cache or archive. Training occurs when data influence parameters through a learning procedure. Those concepts can overlap, but they are not interchangeable. The evidence for each differs: subscription access terms, an ingest record, retention logs, and training manifests answer different questions.

A right to read a web page does not necessarily cover systematic copying; a right to hold an archival copy does not necessarily cover model training. The inverse also matters: authorization for a run does not automatically allow an indefinite general-purpose archive. These distinctions matter whether the organization relies on permission or an exception. [2] [6]

From retrieval to output

Grounding can fetch material at answer time, including from an index created earlier. Its source can be entirely different from the model’s pretraining inputs. Output may reproduce expression from a retrieved document, a prompt attachment or learned parameters. Similarity by itself does not establish which pathway was responsible, and a missing citation does not show the information necessarily came from weights.

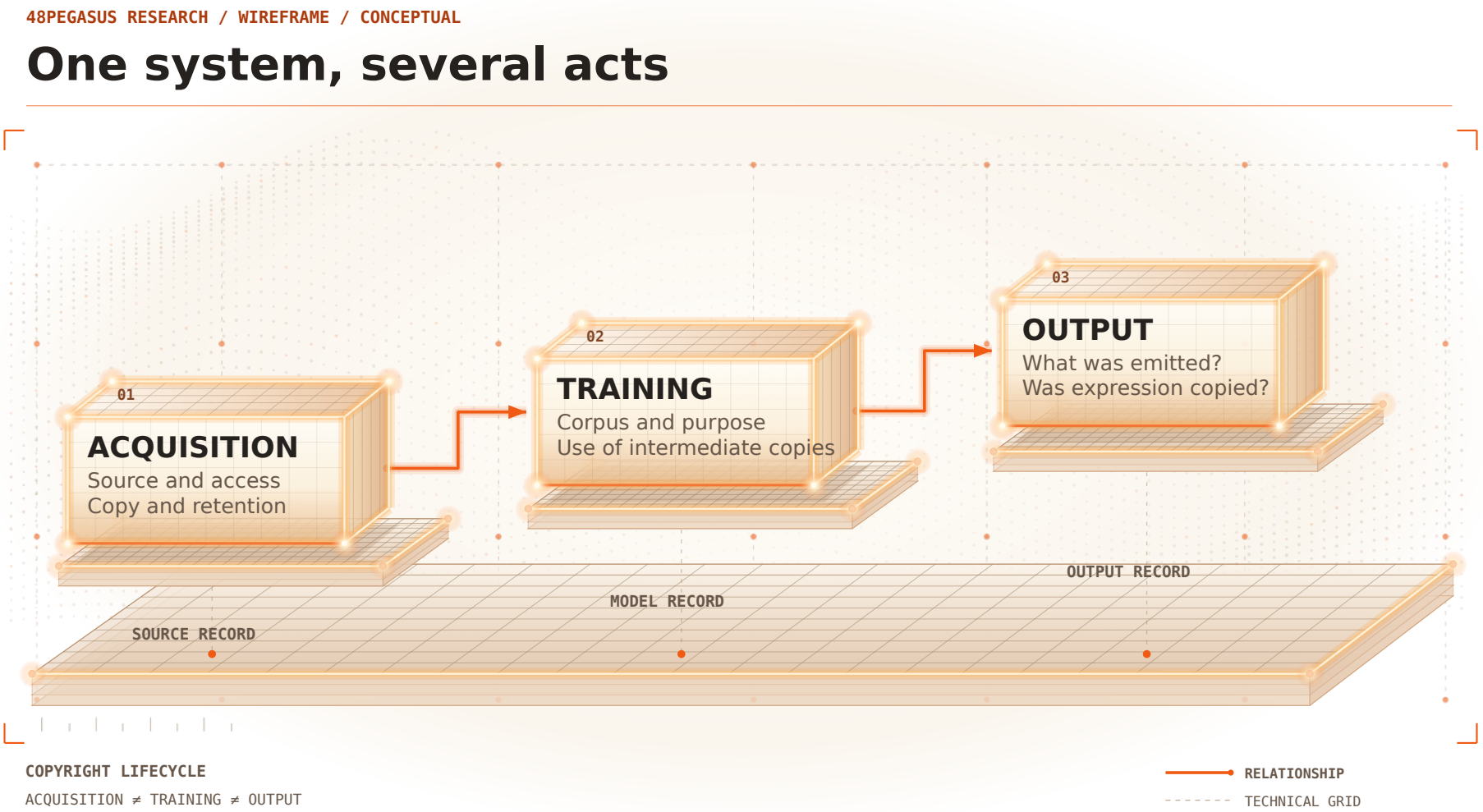
Distribution adds another path: putting source material, reconstructed text or a downloadable artifact into someone else’s hands may require a separate analysis. Compare a local training cache, a torrent upload and a commercial answer; each involves different actors and evidence. A defensible review names the act, source copy, purported authority, audience and output. [2] [1] [6]

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VISUAL EVIDENCE

Exhibit 01 One system, several acts



Acquiring and retaining a copy, using copies in model development, and emitting or serving output present different facts. The arrows describe a simplified workflow, not a finding of liability at any step.

48PEGASUS Research conceptual exhibit. Not empirical data.

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Rights start with the work and the holder

FIELD NOTE

A platform, publisher, distributor and author can hold different rights in the same workflow.

What copyright covers

U.S. copyright generally protects original expression fixed in a tangible medium; it does not extend to ideas, procedures, systems or the discovery of a fact. A news event is not owned as a fact, but an article's original expression may be. An image's subject is not the same as the photographer's choices of framing and timing. A public URL is not the public domain. Publication, registration, ownership and permission are different facts. [2] [12]

One asset can incorporate distinct layers. A recording can embody a composition; a book can contain separately controlled translations, illustrations and excerpts. A vendor may control one version or territory and not another. Determine the asset granularity before asking for rates or recording rights.

What to record

Start with an identifier, version and kind of work. Capture the asserted owner, who authorized a license, term, territory, excluded components, and whether a grant covers subcontractors or onward distribution. Require the authority evidence to follow each materially different use. Merely identifying the publisher is not the same as confirming that it holds training rights for the entire catalog.

Label uncertain material rather than reassigning it into a category that sounds safer. For example, if an image collection contains donated works with an unknown grant, isolate that subset. Excluding the whole collection may be unnecessary; accepting the whole collection can create avoidable exposure. Record reviewed items separately from sampled items and set a plan for unresolved records. [6] [12]

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Fair use is a balancing inquiry

FIELD NOTE

Four statutory factors. No numerical score, automatic exemption, or universal required percentage.

Purpose and nature

Factor one addresses the purpose and character of the specific use, including commerciality. A materially different purpose may favor fair use, but the degree of difference and the need for copying matter. [*REDACTED*] illustrates that a changed aesthetic does not automatically justify a commercial licensing use with a substantially similar purpose. Discuss what the challenged copying did, not only the developer's broad research mission. [1] [4]

Factor two asks about the nature of the copyrighted work. A database that mixes facts, functional material, journalism, novels, music and art cannot establish a single work-type conclusion. Creative character and unpublished status can matter, but unpublished status alone does not bar fair use if the factors support it. [1]

Amount and market

Factor three considers the amount and substantiality taken in relation to the whole. A small excerpt may capture what makes the work distinctive. Whole-work copying may sometimes be reasonably necessary for a purpose, but that cannot be inferred from convenience. Document what alternatives were tried and where lesser copies would or would not work. [1] [5]

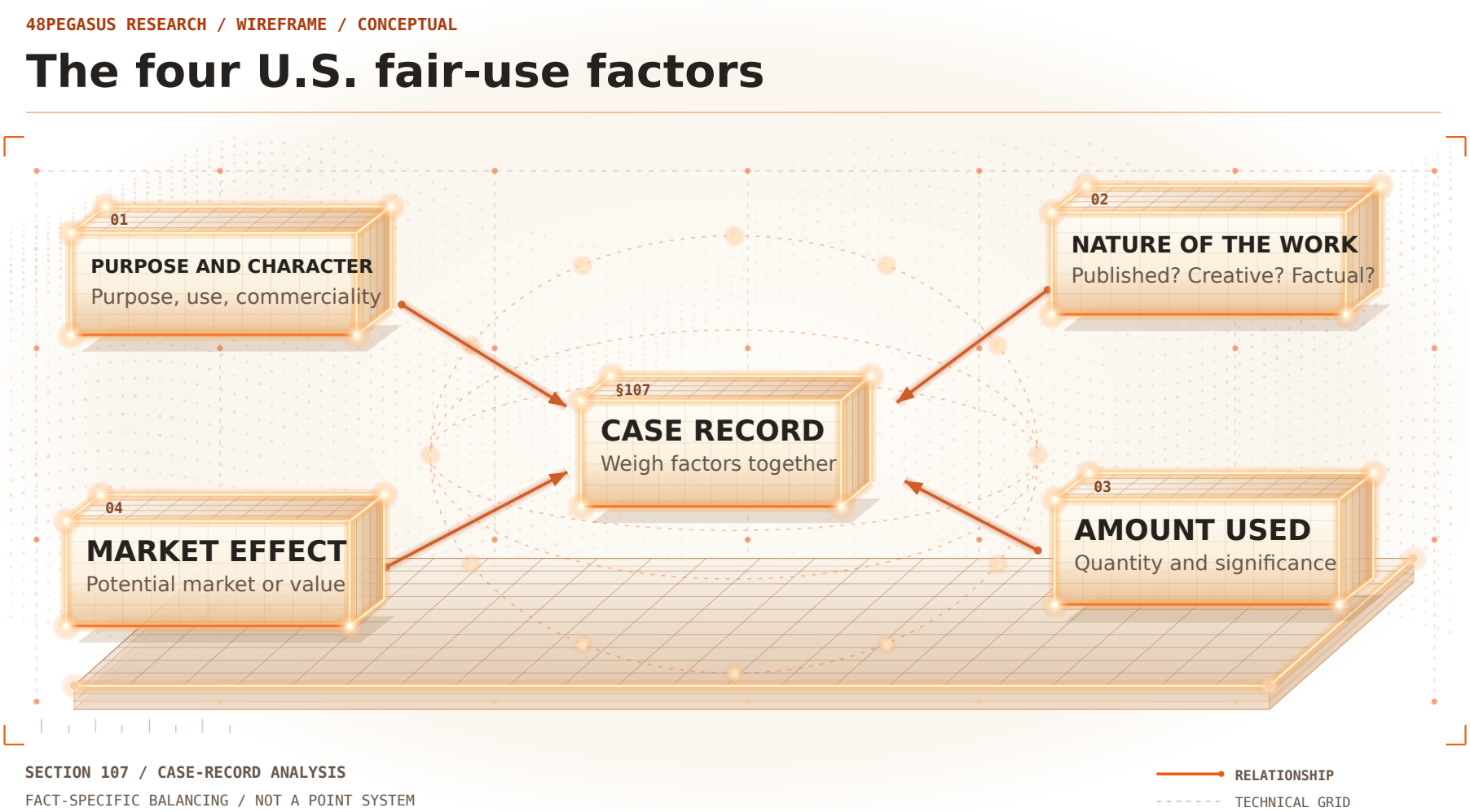
Factor four addresses effect on the potential market for or value of the work. Show why the system is or is not a substitute for access, sale or a relevant license; do not assume every desired fee proves a legally cognizable market. Then weigh the circumstances as a whole. Neither a rights-policy sign-off nor a model evaluation is a court judgment. [1] [6]

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Exhibit 02 The four U.S. fair-use factors



U.S. courts consider all four statutory factors together on the record of the particular use. These factors are not a checklist, numerical score or categorical permission to train.

48PEGASUS Research schematic; statutory factors: 17 U.S.C. § 107: primary source

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Three different kinds of market evidence

FIELD NOTE

A lost license, displaced consumption and a crowded genre are different claims.

Demand and substitution

Direct substitution is strongest when a user seeks the original or its function and receives a useful replacement from the AI system, such as an article answer detailed enough to avoid a visit. Measure against an explicit baseline: the number of comparable queries; how much of the original is conveyed; and what respondents actually do when shown each answer type. Traffic changes alone can be confounded by seasonality, search-ranking changes or ordinary product shifts.

An output can differ textually yet compete in a relevant market. Conversely, a technically similar passage can be legally trivial or involve unprotectable expression. Use both textual analysis and evidence of user behavior; neither substitutes for the other. [1] [6]

Licenses and substitution at scale

Rights holders may point to existing training or retrieval deals; developers may dispute scope, comparability or whether the proposed market is one copyright should recognize. A deal is evidence that specific parties agreed to a bundle, not proof everyone owes a rate. Separate training, embedding, display, attribution, product collaboration and legal release when terms are public. If economics are confidential, do not reverse-engineer an assumed price.

Market dilution from cheap generated substitutes is broader than a one-for-one copied answer. Claims about work, genre or profession require a stated economic mechanism and denominator. An observed decline in one creator’s revenue cannot establish a whole-class effect; a developer’s low average regurgitation rate cannot rule out commercially important harms at a narrow tail. [6]

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EXECUTIVE FINDINGS AND LEGAL FRAMEWORK

Permission and an exception are not synonyms

FIELD NOTE

The approval owner must document the actual legal or contractual basis, not just a risk label.

Two routes, different evidence

A license reflects a rights holder’s grant within a defined scope. It may attach conditions on users, expiry, attribution, hosting, derivatives, distribution, retention, or deployment. If the seller lacks authority to grant a right, its assurances do not eliminate the chain-of-title question. A limited bilateral license between two parties does not constitute an industry precedent. [12] [14]

An exception, where applicable, is a legal basis that can permit particular acts without the holder’s permission. Its facts must be demonstrated under the applicable law. A team relying on an exception should preserve the case-specific purpose, proportionality, scope, and the decision-review record. Saying the company is in the AI business or that the material was easy to download is not such a record. [1] [6]

When routes change

A permission may expire or an uncertain basis may need to be reevaluated after a scope change. A rights registry therefore should not store a single timeless flag for allowed. It should record what was allowed, under which conditions, who approved it, and when to check again. Acquisition, retention, pretraining, fine-tuning, evaluation, retrieval and excerpt display can have separate fields.

If a grant is ambiguous or conflicts with another signal, hold the affected material while the relevant policy owners decide. Record a bounded exception if necessary, specify its confidence and review time, and keep excluded assets out of training manifests until disposition. A human reviewer should be able to reconstruct the original decision without guessing the meaning of a generic source label. [15]

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EXECUTIVE FINDINGS AND LEGAL FRAMEWORK

Evidence hierarchy and study limits

FIELD NOTE

Court records establish what was filed or ordered. They do not automatically establish every factual proposition inside.

How records were weighted

This is a selected narrative review, not a census of litigation or a causal study. Sources are ranked by what question they can answer. Statutes and operative acts establish text; opinions show holdings and their scope; dockets and orders identify procedure; complaints and briefs show positions; settlement agreements and approval orders identify negotiated obligations; administrators describe implementation. Corporate announcements show what the announcer says, not necessarily the full contract. [13] [9]

The cutoff is November 19, 2026. The chapter on litigation should be read by docket and claim rather than as a single chronology of AI wins and losses. Where no later disposition was verified, a pending description is bounded by the records read. Sealed evidence and delayed indexing are limits, not evidence of absence.

Why metrics need descriptions

The Copyright Office received over 10,000 comments to its AI inquiry by December 2023. That is a participation count from an administrative process, not a poll. The [*REDACTED*] approval order reports claims for 440,490 of 482,460 listed works as of April 16, 2026. Its unit is listed works, not individual creators, payment recipients or cash received. The comparison is informative only inside that class and date. [7] [9]

No model was trained, no output benchmark was run, and no confidential contracts or training logs were inspected for this report. Quantitative exhibits label dated findings and report denominators. Conceptual workflows show which evidence to retain and which choices have owners, not the probability that a company will prevail or the actual commercial impact of AI.

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EXECUTIVE FINDINGS AND LEGAL FRAMEWORK

Remedies and settlement amounts

FIELD NOTE

A settlement fund, maximum statutory award, administrative payment and royalty are four different quantities.

When a remedy is at issue

Under §504, a copyright owner may, when eligible, choose statutory damages instead of actual damages and attributable profits. The ordinary statutory range is $750–$30,000 per work, subject to the statute's conditions and grouping rules. The court can increase the amount up to $150,000 on a finding of willfulness; where the statutory innocent-infringement standard is met, it can reduce it to $200. These are legal bounds, not expected values. Availability can depend on timing and other rules including §412. [3]

Section 502 permits courts to grant injunctions on appropriate terms, and §503 addresses impounding and disposition. No conclusion about weights, corpus copies or production deployment follows without the actual scope of an order or agreement.

Why dividing the fund is misleading

The approved [*REDACTED*] fund is non-reversionary and consists of $1.5 billion plus interest. Dividing principal by listed works yields an illustrative gross average around $3,109 before fees, expenses and allocation. It is not a promise that one author receives that amount. Multiple rightsholders can share an allocation, and timing can differ for disputed works. The administrator's published expected schedule is distinct from evidence of transfers. [9] [10]

Treat pleadings, negotiated class relief and damages judgments separately. Do not multiply every dataset record by the statutory maximum to project liability. Verify ownership, eligibility, the legally counted works, the relevant conduct and the operative terms. This paper uses the settlement as evidence of risk in a defined matter, not as a price benchmark for a lawful dataset.

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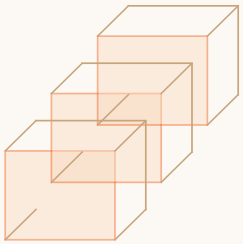
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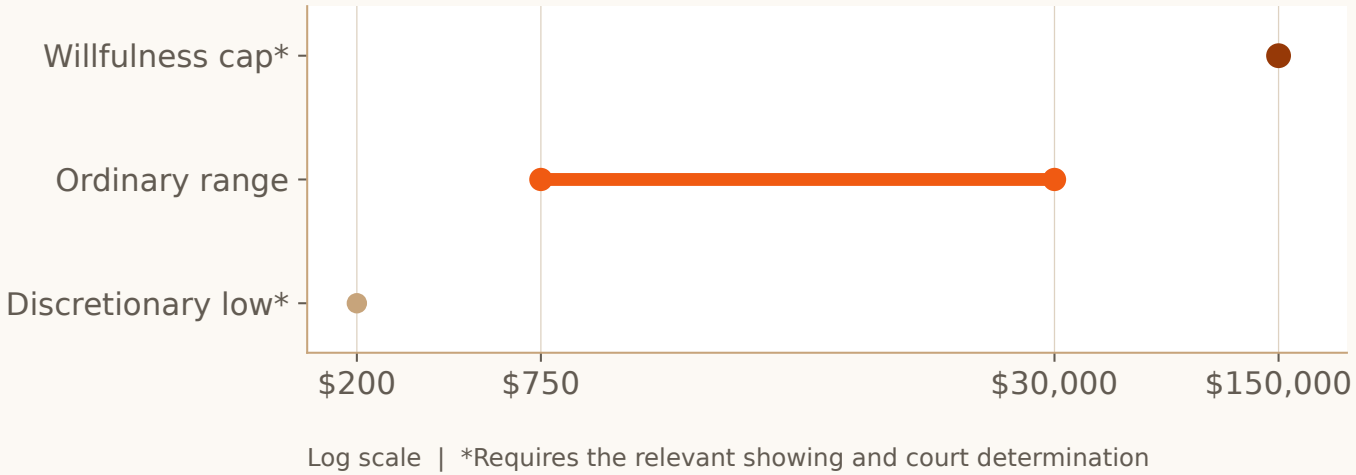
Exhibit 03 Statutory amounts are bounds, not predictions

48PEGASUS RESEARCH / STATUTORY REFERENCE

Statutory amounts are bounds, not predictions

Per work, if statutory damages are available.





Log scale | *Requires the relevant showing and court determination

Section 504(c) generally sets a $750–$30,000 ordinary range per work when statutory damages are available. It allows reduction to $200 in certain innocent cases and an increase up to $150,000 upon a finding of willfulness. No outcome probabilities, fees or settlement predictions are shown.

U.S. Congress, 17 U.S.C. §504(c): primary source

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EXECUTIVE FINDINGS AND LEGAL FRAMEWORK

Outputs raise a separate copyright question

FIELD NOTE

Who may own new expression is a separate inquiry from whether it infringes an earlier work.

Two legal questions

Output copyrightability addresses whether eligible human authorship is present in a new creation. Infringement addresses whether the output or associated acts violate rights in an existing work. A response can be ineligible for its own copyright and still reproduce someone else's protected material. Conversely, showing human-authored choices in an output does not prove that acquisition or training was permitted. [2] [8]

The Copyright Office explains that the presence of AI assistance does not automatically prevent protection for human-authored elements, while material generated by a machine without sufficient human authorship is not protected on that basis. The Office analyzes contributions such as expressive input, selection, arrangement and modification in context. Do not present the report as a ruling about all prompt-based work.

Evidence for three mechanisms

Where an output is challenged, preserve the model and wrapper versions, route, authorized prompt evidence, use of retrieval, and rendering context. An exact quote could have come from a document attached by a user, from a search fetch, from a cached source, or from the model without retrieval. Test those mechanisms separately. A black-box output alone cannot identify training membership.

For a commissioned piece, keep a separate production record showing human decisions about the expression, not merely authorship by job title. If output is marketed as an original contribution, ensure the description accurately reflects what was supplied by humans and what was generated, and establish a documented approval path for commercial publication. [8] [15]

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Use this reading sequence

FIELD NOTE

For every legal claim, identify jurisdiction, actor, work, act, authority, posture and date.

Locate the decision

The US litigation chapter is organized by issue and procedural posture, not by sweeping winners and losers. Read the original order for the issue it actually resolved; do not substitute a press headline. The creative sectors chapter then explains why the object of permission differs for books, news, music, images and code. The international chapter distinguishes cross-border obligations and location-specific exceptions. Check current sources before treating an implementation date as operative.

A formal holding can coexist with claims unresolved in the same case. A factual example in the narrative is not itself the ratio of the decision. A trial-level order, appellate precedent, an agency report and a private contract have different legal effect. Distinguish what a regulator requires from what this report recommends. [13] [4] [6]

Translate findings into controls

The technical chapter looks at data intake, permissions, lineage, deletion, evaluation, deployment and procurement. The final chapter provides decision artifacts for executives, buyers and rights holders. None represents a compliance certification, nor should a public policy sentence substitute for checked system records.

For an initial assessment, select one released product and one named source collection. Ask which records link them, how permissions were evaluated when data entered, which systems could access copies, and whether output controls were tested. If the chain breaks, request an owner and corrective date. Use that result to prioritize the next audit sample rather than declaring whole-program compliance from a narrow review. [15]

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UNITED STATES LITIGATION

[*REDACTED*] v. [*REDACTED*]: one workflow, three uses

Northern District of California

June 23, 2025

Partial summary judgment

What the court decided

Judge ■[*REDACTED*]■ distinguished copies used to train the models, scans of books [*REDACTED*] had purchased, and downloads from pirate repositories for its central library. On the record before it, the court held that the particular training uses were fair. It also found fair use for the particular replacement scans of purchased books. It refused to excuse the pirate-library acquisitions as fair use merely because some copies later had a fair use. [16]

Why separate the copies?

A work may move through several systems before it is used in a training run. Each copy can have its own actor, source, time, retention period and purpose. A justified training use does not rewrite the history of a separate archive assembled for indefinite retention. Nor does a ruling about one archived copy decide every later training or deployment use. [16]

What the case did not decide

The authors did not claim that outputs from the [*REDACTED*] service infringed their books in this proceeding. The court did not decide an output case or grant an industry-wide rule for generative models. It also left other uses of library copies outside the training decision. The defensible comparison is between identified uses, not between brand names. [16]

Practical consequence

A dataset ledger should distinguish acquisition, durable storage, preprocessing, training and user-facing reproduction. A work-level pointer that stops at the training snapshot cannot prove whether a persistent corpus was separately acquired or kept. Conversely, proof that an upstream copy existed does not establish what a particular model saw in a later run. A diligence memo that cites [*REDACTED*] without identifying the copy and use it is comparing misses the most operationally important feature of the order.

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UNITED STATES LITIGATION

[*REDACTED*]: a scan is not a universal digitization rule

Purchased-copy record

Format replacement

Scope is fact-specific

The physical-book branch

The June order considered [*REDACTED*]'s acquisition of print books, removal of the bindings and conversion to searchable files. The record for the practice the court addressed involved purchased copies replaced by digital copies, not creating extra consumer copies for sale or giving away scans. The finding does not automatically apply to a service that retains both copies, duplicates scans for unrelated audiences, circumvents an access control or shares a consolidated electronic library with third parties. [16]

Separate legal questions

Lawful purchase of a copy is not synonymous with ownership of copyright. The court did not reason that every purchaser has an unqualified right to scan, sublicense, distribute or incorporate a work into an unrelated service. It applied fair use to the facts of the particular replacement copies. [16]

Reconstruct the comparison

An auditor reviewing a claimed one-for-one conversion should ask how many copies acquired and produced were counted, what happened to the source copy, whether a replacement was created from an already sourced scan, and who could then access or export it. These checks test whether a proposed analogy is supported; they are not a recipe for clearance. Preserve invoices and chain of custody with the corresponding scanned object, not merely as a project-level expense.

Avoid an invalid offset

Buying a legitimate copy later can support a new permission or acquisition record. It does not retroactively change how an earlier download entered the system. A complete ledger records the earlier copy, any documented disposal, the independently purchased replacement and the downstream derivatives, rather than overwriting the first event. This recommendation follows the case’s distinction between otherwise similar copies acquired by different means. [16]

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UNITED STATES LITIGATION

[*REDACTED*]: $1.5 billion class settlement, not an AI license

Final approval: July 20, 2026

482,460 listed works

440,490 claimed as of April 16

What the court approved

The district court entered final approval and judgment on July 20, 2026. The non-reversionary fund is $1.5 billion plus interest paid or accrued. The order reports that 440,490 of 482,460 Works List entries had been claimed as of April 16, 2026, a 91.3% work-level claim rate. That denominator counts works listed, not authors, all books held in the source repositories or all works used by any model. [17]

What it releases

The class definition concerns eligible legal or beneficial copyright owners of the exclusive reproduction right in listed books from the specified downloads. Its criteria include specified identifiers and registration timing. The approval order describes a release for covered past input conduct; it does not release claims based on model outputs or future misconduct. It also describes destruction protections for class members' pirated works, not a judicial order to destroy all commercial [*REDACTED*] models. [17]

Terms versus payment

The court awarded $101,561,111 in attorneys' fees, separate from the later computation of payments to eligible rightsholders. Approximate averages mentioned in the order are not guaranteed payments to every author; claims, multiple owners, allocation, administration and expenses affect results. The $1.5 billion is a settlement amount, not a per-work statutory damages holding or a comparable market royalty for AI training. [17][19]

Verify eligibility separately

A rights team should start with the work list and governing allocation rules, match registrations and edition identifiers, then reconcile who held which exclusive right. The claim form is not an ownership adjudication for every edition, translation, excerpt or later right. Keep settlement exposure separate from the licensing valuation for future conduct, where rights, consideration and scope are independently negotiated. [17][18]

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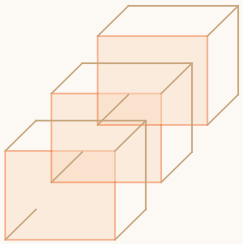
VISUAL EVIDENCE

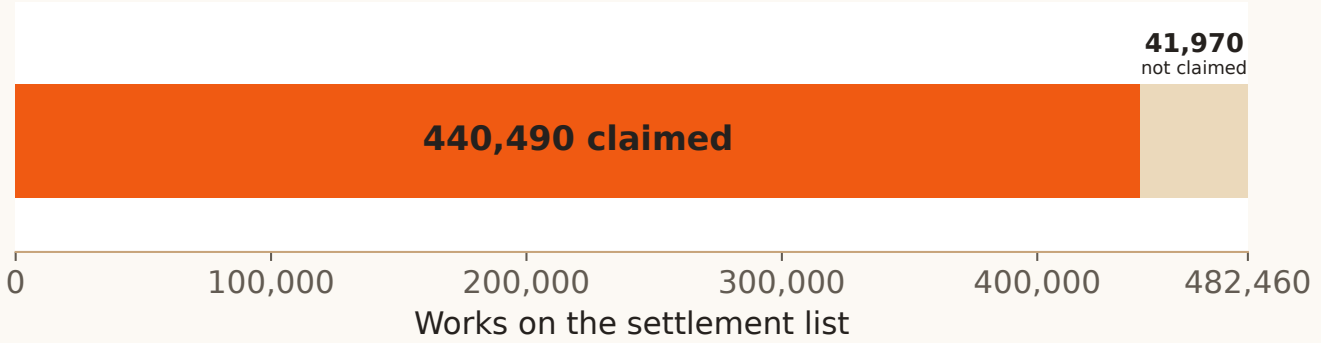
Exhibit 04 Claims covered 91.3% of listed works

48PEGASUS RESEARCH / SETTLEMENT MEASURE

Claims covered 91.3% of listed works

Unit: works. One class; snapshot.





The approval order reports 440,490 of 482,460 listed works claimed as of April 16, 2026. The remaining 41,970 is the arithmetic complement. The figures do not count unique claimants or disbursements.

[REDACTED] v. [REDACTED], ECF 680, July 20, 2026: primary source

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UNITED STATES LITIGATION

[*REDACTED*]: funding dates versus distribution dates

Status check: November 19, 2026

First distribution expected week of November 23

No guarantee of receipt

Three different milestones

Approval, deposit and distribution are independent. The September 2 status report stated that $1.05 billion in principal was then in trust, comprising two $300 million installments and an August 19 payment of $450 million. These numbers describe money deposited, not checks mailed or fraction of rights holders paid. The status filing is a report to the court; its earlier forecasts should not override the administrator’s current schedule. [17][18][19]

What the administrator says now

The administrator reports November 13 payment notices for claimants with a work scheduled for payment, with disputed allocations to be raised by November 20 for this round. It expects first distributions in the week of November 23, with the first installment about 70% of a work's total award. This is an expectation, not evidence of payments made as of November 19. [18]

Why ownership disputes matter

Authors and publishers can both have colorable interests in a specific work. Allocation may depend on contract history, beneficial ownership, rights reversion, an agent’s role or the precise edition. A dispute can shift an item out of an initial distribution without necessarily disqualifying it from later payment. Cohort metrics should distinguish works listed, claimed, scheduled, disputed and paid. [17][18][19]

A quantitative reporting rule

Label gross commitment, cash deposited, fees and verified distributions as separate measures. Put an as-of date on every amount. Do not annualize the $1.5 billion or divide it by all inputs to estimate royalty prices. A court-approved fund pools negotiated consideration for a defined historical class; a forward license prices different rights under different commercial conditions. That distinction is critical for anyone building valuation estimates from litigation headlines.

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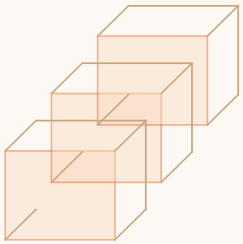
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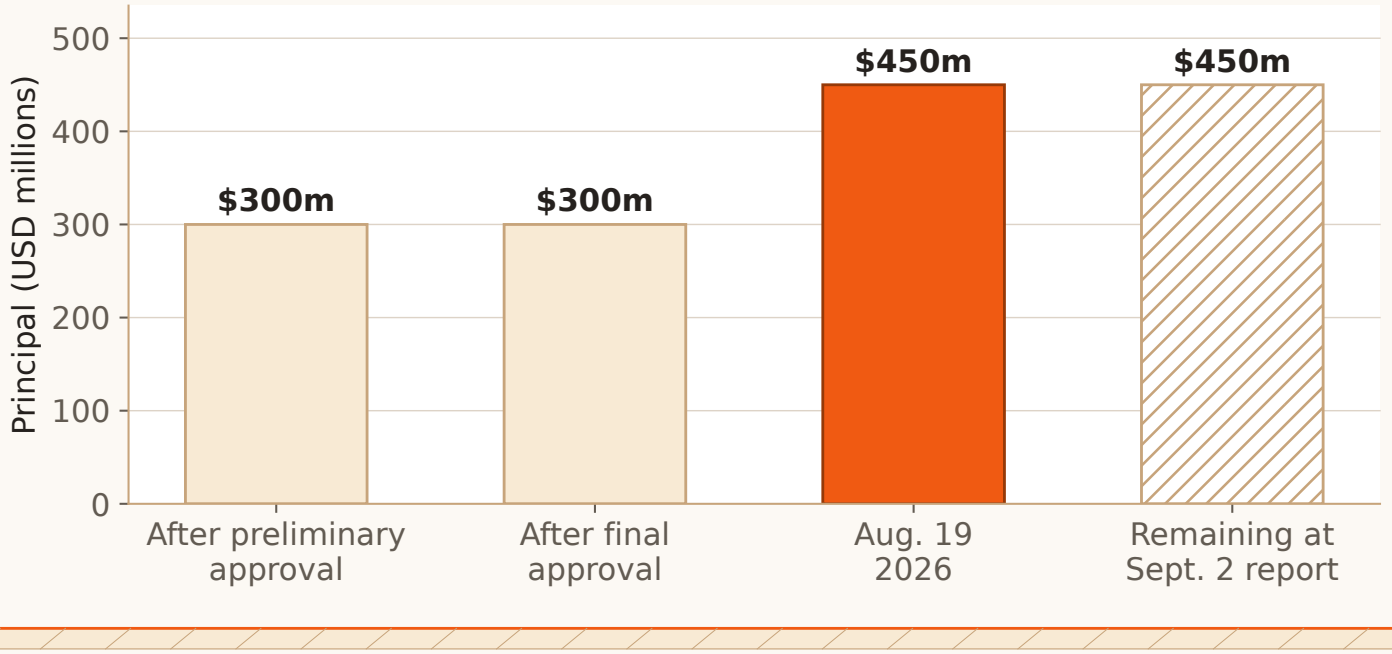
Exhibit 05 Funding the settlement is not paying claims

48PEGASUS RESEARCH / SETTLEMENT MEASURE

Funding the settlement is not paying claims

Principal USD millions. Interest excluded.





Principal payments into escrow, as described in the parties' September 2 status report. The three deposits total $1.05 billion; the hatched $450 million was outstanding on that reporting date, not a finding about later deposits or cash paid to rightsholders.

[REDACTED] v. [*REDACTED*], ECF 688 ¶¶3–4: primary source

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UNITED STATES LITIGATION

[*REDACTED*]'s November prospectus: exposure survives settlement

SEC Form 424B4

Filed November 19, 2026

Issuer-reported, not court findings

A financial record alongside the docket

[*REDACTED*]'s November 19 prospectus attributes a $1.5 billion settlement expense for the nine months ended September 30, 2025 to the charge accrued when the [*REDACTED*] settlement was reached in the third quarter of 2025. The district court's final approval came July 20, 2026, and the administrator provides a later expected initial distribution schedule. These accounts measure different events: recognizing expense, approving the class compromise, depositing money and paying recipients. [17][18][19][33]

Claims outside the negotiated class

The prospectus describes authors and publishers who opted out of [*REDACTED*] and pursued separate suits. It also discloses preliminary-stage disputes brought by music publishers over lyrics and compositions, including claims concerning acquisition, model training, outputs and copyright-management information. [*REDACTED*] disputes allegations of wrongdoing. Its disclosure is evidence of the issuer's reported exposure, not proof that any alleged act occurred. [33]

How risk can reach the business

The issuer identifies possible restrictions on data availability, significant license costs or constraints on model development and distribution if it cannot rely on fair use. These are contingency disclosures, not a forecast of outcomes. A reader should distinguish the cost of sourcing replacement data, the cost of rebuilding an artifact, the cost of complying with a particular order and the separate risk of damages or indemnity. They can affect different teams on different timelines. [33]

Use the right instrument

Treat accruals as accounting evidence, judicial orders as evidence of legal posture, and the administrator as the source of distribution status. Do not sum all three as cumulative damages, substitute a litigation-risk paragraph for a defendant's answer, or treat an unspecified loss range as zero. For investment or procurement decisions, check later filings and the current case record rather than assuming the prospectus includes later developments.

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UNITED STATES LITIGATION

[*REDACTED*] v. [*REDACTED*]: the scope of a training ruling

Northern District of California

June 25, 2025

13 named authors on this record

What the court held

Judge [*REDACTED*] denied plaintiffs' partial summary judgment motion and granted [*REDACTED*]'s cross-motion on the copies used to train its [*REDACTED*] models. The court treated the training purpose as highly transformative and held that the authors had not developed evidence sufficient to create a genuine dispute of material fact on market harm that could overcome the other considerations. The ruling applied to these thirteen named authors, not every person whose work was used. [20]

Why outcome and reasoning differ

The opinion was skeptical that outputs on this record could directly substitute for the plaintiffs' books and rejected their training-license theory as circular in the circumstances. It nonetheless took seriously the possibility of harm through an influx of comparable works from models trained on the originals. Its discussion of stronger hypothetical cases is not a finding that such harm occurred. [20]

What the holding excludes

The court did not resolve the separately disputed distribution of the underlying copies through torrenting. It considered downloads within the training-purpose inquiry on this record, rather than making an across-the-board rule about all unauthorized acquisitions. [*REDACTED*], by contrast, separated acquisition into a retained general-purpose library from later training copies. Different separations of the acts and different records limit the comparison. [20][16]

Applied reading

Do not cite this opinion as a green light for an entire corpus, as proof that shadow libraries are lawful sources or as a final class-wide judgment. Identify the model, works, copying act, asserted market and technical evidence that link the example to the project. If the material target and distribution behavior are unlike what was before the court, the ruling is at most an analogy. An argument about eventual model use does not answer a distinct claim over a copy sent to someone else.

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UNITED STATES LITIGATION

[*REDACTED*]: copyright information and distribution are distinct claims

17 U.S.C. § 1202(b)(1)

June 27, 2025 and March 25, 2026

Partial judgment, amendment order

The DMCA ruling

On June 27, 2025 the court granted [*REDACTED*] partial summary judgment on the remaining § 1202(b)(1) claim. Because the training copying on which the surviving theory rested was fair use, removal of copyright management information could not further infringement of that particular use. The court also explained that the pleaded theory did not tie removal to the separately alleged torrent distribution; evidence that did not link removal to that act could not substitute for a missing theory. [20][21]

What persisted

The March 25, 2026 court order granted leave to add a contributory theory connected to torrenting and denied the pending request for class discovery. It expressed concern about how a class action on a narrow theory might affect absent class members' later claims. Neither granting leave to amend nor denying class discovery is an infringement judgment or a class-wide resolution. [22]

Distinguish three chains of proof

A reproduction claim asks what was copied and where. A distribution claim asks whether copies were shared and what can be shown about the transfer. A metadata-removal claim asks what information was removed or altered, who did it, what the relevant statutory mental-state requirements are and how the removal is connected to infringement. A missing author field does not alone answer all those questions. [20][21][22]

What to preserve

Preserve originals, source manifests, rights metadata, transformation logs, access records and retention policy versions. Preserve enough structure to distinguish intentional action, fully documented pipeline loss and a missing field that was never supplied. The operational purpose is to preserve evidence, not to tell a court whether a mental-state element is met. A public record that leaves one right unresolved should not be summarized with a binary win or loss for every claim.

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UNITED STATES LITIGATION

[*REDACTED*]: turning market dilution into a testable claim

Factor four

Title-level and product evidence

Not a presumption of harm

Distinguish market mechanisms

Direct substitution asks whether consumers use the accused system instead of obtaining the protected work itself. Indirect substitution asks whether the model can generate enough comparable works to divert purchases away from the originals or relevant derivatives. A proposed training-license market is a separate question: which licenses exist, which uses would require a license absent fair use, and whether the argument assumes the issue it is trying to prove. [*REDACTED*] distinguishes these mechanisms rather than treating loss of any license fee as conclusive. [20]

Why broad measures fail

An increase in AI-authored uploads does not identify who stopped buying a specific title, which product generated the competing item, or whether the protected work contributed materially to the competition. The court found that the record did not bridge those evidentiary links. [20]

Design an evidence package

Begin with model versions, observed commercial substitutes and the relevant market. Match exposure to releases and distribution channels. Consider promotional spending, publication date, catalog backlist age, platform ranking changes and changes in genre demand. Specify outcomes in advance: units, normalized prices, engagement or licensing renewals. Correlation alone is not a counterfactual. A controlled comparison or transparent sensitivity analysis should show whether the estimated effect survives plausible alternatives.

Interpret cautiously

A zero observed change in a short window does not prove no future harm. Conversely, volume of synthetic output does not itself demonstrate displacement of particular works. Distinguish ability to produce a substitute from use in commerce and actual or plausible market consequences. The training case was decided on the record submitted by the parties, not on all possible future causal studies. [20]

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UNITED STATES LITIGATION

[*REDACTED*] v. [*REDACTED*]: separate publishers, separate record

Complaint: May 5, 2026

Transferred September 2026

Claims are allegations

Expanded rights-holder participation

The May 5 complaint names [*REDACTED*], [*REDACTED*], [*REDACTED*], [*REDACTED*], [*REDACTED*], [*REDACTED*] and S.C.R.I.B.E. as plaintiffs, and [*REDACTED*] and [*REDACTED*] as defendants. It pleads separate counts about acquisition by torrenting and scraping, training reproduction, distribution, contributory infringement and removal or alteration of copyright management information. These are allegations. The initial Southern District of New York proceeding was transferred and has a Northern District of California docket. [31][32]

Why institutional catalogs matter

Textbook, academic and trade books may have different chains of title and different downstream markets. One publisher may hold a reproduction right for one format or language but not another; writing, figures, licensed excerpts, translations and supplements may not have the same ownership. The complaint documents who advances the claims, not a final determination of entitlement for every item. [31]

What a transfer does

A transfer changes the forum handling the lawsuit. It does not endorse the allegations or impose a merits outcome from a different case. Likewise, controversy over a founder's role is a matter for proof and legal analysis under the specific claim, not established fact merely because an individual is named. Use the current docket number when tracking orders; preserve the filing caption and original number when citing the complaint. [31][32]

Implications for study design

Industry analysis should stratify alleged harm by catalog type, relevant customers, rights ownership and product mechanism. A professional study tool may interact with textbook sales differently from a consumer chatbot with general question answering. The ability to reproduce material, contractual market for supplemental resources, and measurement of customer displacement could differ. These are questions for discovery and economic research, not conclusions established by the May filing.

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UNITED STATES LITIGATION

[*REDACTED*] litigation: what consolidation changed

MDL 3143

Judicial Panel order: April 3, 2025

12 actions in initial transfer schedule

Common proceedings

The Judicial Panel on Multidistrict Litigation centralized twelve actions from the Northern District of California and the Southern District of New York for coordinated or consolidated pretrial proceedings, selecting the Southern District of New York before Judge [*REDACTED*]. The [*REDACTED*] appears in the initial set. The Panel identified common factual questions over datasets used to develop [*REDACTED*] models and alleged infringement. The twelve is an initial procedural count and should not be reported as a current lawsuit census. [23]

Different documents, different claims

Some suits concern published journalism, others authors' books or creators' material. An order may address only News Cases, Class Plaintiffs or individually named matters; inspect the caption before generalizing. The fact that a later matter is stayed pending related rulings, as with the September 16 order in [*REDACTED*], says nothing about whether the plaintiff's claims are true or whether that matter settles. [23][34]

Coordination is not certification

MDL centralization brings related cases before the same court for common pretrial work. It does not by itself certify a class, merge all claims into a single cause of action or bind everyone to a settlement. Later filings can enter through different procedural routes. Conversely, a case cited by the press as related may remain outside the MDL. An evidence register should record actual member case and MDL numbers, and date the procedural event. [23]

Case-watch method

Index by court, docket, member case and order applicability. Distinguish claims survived, dismissed with leave to amend, dismissed with prejudice, stayed, briefed, or decided. Record both event and filed dates where relevant. This lets a reader see why an additional news plaintiff or a later procedural decision changes the map without necessarily changing the merits.

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UNITED STATES LITIGATION

The [*REDACTED*]: pleadings and disputed theories

S.D. New York

April 4, 2025 and August 6, 2026

Claims narrowed, not adjudicated wholesale

The pleadings stage

In April 2025, Judge [*REDACTED*] explained the rulings on dismissal motions in the [*REDACTED*], [*REDACTED*] and [*REDACTED*] [*REDACTED*] actions. As to challenged issues, the court let core infringement claims advance, including rejecting at that stage the requested limitations dismissal for earlier conduct and declining to dismiss contributory claims addressed by the motions. The court dismissed unfair competition by misappropriation with prejudice and dismissed specified copyright-management-information claims without prejudice. Survival means legal plausibility, not proof. [24]

The later amendment order

The August 6, 2026 order denied the [*REDACTED*] and [*REDACTED*] [*REDACTED*] leave to add new contributory theories against [*REDACTED*]. It also records the News Plaintiffs' agreement to dismiss with prejudice their material-contribution claims against [*REDACTED*]. Read the actual order and the operative pleading together rather than projecting the earlier motion-to-dismiss disposition forward unchanged. [25][26]

The rights at issue

News publishers ordinarily distribute complete articles, excerpts and structured feeds through different channels; copying for corpus preparation, making a source-based answer, and displaying near-verbatim text are not interchangeable uses. The [*REDACTED*]' claims concerning its journalism and other content allege a relationship between the material copied and what the product provides. Defendants dispute liability. A court accepts well-pleaded allegations as true for a particular dismissal inquiry, not as an ultimate determination of the facts. [24][26]

Explain procedural posture well

Summarize which claims an order addressed, what standard it applied and what remains unresolved. Do not write that the court found systemic copying solely because it accepted allegations at the pleading stage. Do not write that a single dismissed theory defeats every other claim. Check defendant identity, docket and relevant procedural date before quoting outcome labels.

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UNITED STATES LITIGATION

[*REDACTED*] MDL: training, grounding and output in 2026

Cross-motions: September 4

News Cases order: November 12

No verified final merits decision

Latest verified posture

The [*REDACTED*]' November 4 securities filing reports cross-motions for summary judgment on September 4, 2026. On November 12, Judge [*REDACTED*] ordered that, if the News Plaintiffs choose to move for summary judgment against [*REDACTED*] on grounding and output, the motion is due November 25, opposition December 11 and reply, if any, December 18. The order notes the plaintiffs had initially withheld that branch while a sanctions motion was pending. It expressly does not signal how the sanctions motion will be decided. [26][27]

Keep disputed assertions attributed

The court recited the News Plaintiffs' assertions about training dataset searches and output log sampling, and [*REDACTED*]'s contention about the scope of the plaintiffs' original summary judgment request. These are positions recorded in procedural orders, not court findings that the alleged behavior occurred or that the contested output samples prove infringement. [27]

Why the separate tracks matter

Training adjusts parameters from previously acquired data. Grounding supplements the answer with sources retrieved at request time. Model output is the content served to the user; it can include, paraphrase or reproduce a source. A website can be absent from a training set but fetched during grounding; similar text in an answer does not by itself identify which mechanism produced it. Machine logs and configuration are needed to distinguish mechanisms.

Legal and technical watch points

Separate any future summary judgment by act, defendant and cause of action. Read any order on sanctions for the remedy granted, not as a merits ruling unless it actually makes a binding finding. Preserve a record of the observed product mode, retrieved inputs and content displayed, along with notices and permission status. The November 12 order is a schedule for additional motion practice, not a determination of liability. [27]

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UNITED STATES LITIGATION

What DOJ argued, and what it did not decide

Statement of interest: September 1, 2026

28 U.S.C. § 517

Government advocacy, not governing law

The government's position

The Justice Department filed a statement of interest in MDL 3143, contending that training language models on written works can be transformative because it enables original responses rather than serving the same function as the source texts. It argues against treating all claimed downstream competition as legally cognizable market substitution and invokes public benefits, competitiveness and national security. This is the government's position in a specific case, not an order, license, statute or conclusion adopted by the judge. [28]

It does not decide every product use

The statement distinguishes the training inquiry from uses where system outputs reproduce third-party works and does not foreclose voluntary specialized licenses, including for current, paywalled or proprietary content. It does not establish which copies any particular defendant obtained or what was allegedly accessed from a particular publisher. [28]

Institutional positions are not interchangeable

A DOJ filing, a Copyright Office policy report, a congressional proposal and a district-court ruling are different instruments with different legal weight. Even a government argument framed broadly may be tied to the technology, record and remedy at issue. The Third Circuit in [*REDACTED*] distinguished those generative-model arguments when it considered a different, non-generative system built to compete with the original legal-research product. [28][29]

Consequence for the reader

Use the filing to identify live arguments and the evidence that could matter, not as authorization to train on an unavailable catalog or a prediction of what the court will do. Procurement decisions still require review of source authority, applicable terms, responsible teams and foreseeable product overlap. If a vendor claims that a federal filing immunizes all training or eliminates the need to track provenance, request the judgment or applicable statute; the statement alone provides neither.

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UNITED STATES LITIGATION

[redacted] v. [redacted]: competitive legal search

Third Circuit, No. 25-2153

September 29 opinion; September 30 docket stamp

2,243 headnotes, limited record

What the appeals court affirmed

A precedential Third Circuit panel affirmed partial summary judgment for [redacted] over 2,243 [redacted] headnotes. It held that these privately written selections and formulations had sufficient originality and that their use in material for training the competing [redacted] legal search platform was not fair use. [redacted] answered natural-language queries by returning relevant passages from judgments; the panel distinguished this platform from models that can generate original expression. [29]

Public law and private editorial text

Judicial opinions themselves remain freely publishable. The decision concerns proprietary editorial expression rather than ownership of the underlying law or facts. The court did not address headnotes consisting of verbatim opinion text, and did not decide the originality of the [redacted] [redacted], which [redacted] did not challenge in its briefing. [29]

Evidence of commercial overlap

The opinion describes a paid product intended to substitute for [redacted], including advertising that compared the products and record evidence of firms switching. It also discusses the value of the headnotes within the bundle and potential training-data licensing. The court did not require standalone sale of each headnote to find a market concern. These examples explain why the commercial function of the end system mattered even though users did not receive the training memos themselves. [29]

Rehearing is not reversal

[redacted] filed a petition for panel or en banc rehearing on November 3; the reviewed public record did not establish a disposition by the research cutoff. Raising an argument in a petition does not alter the opinion unless the court orders a change. This was an interlocutory appeal of specific partial summary judgment, not the last possible proceeding in the broader dispute. [29][30]

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UNITED STATES LITIGATION

[*REDACTED*]: how the four factors worked together

No categorical exclusion for research

Same-purpose competition

Amount measured against each work

Purpose and character

The panel found [*REDACTED*]'s commercial use minimally transformative at best. Internal training was a technical step toward the same ultimate purpose as [*REDACTED*]'s editorial content: helping users find responsive legal material through a competing professional service. The opinion expressly distinguished DOJ's arguments concerning generative AI in the [*REDACTED*] litigation. [29][28]

Nature and amount

The headnotes were factual and already published, supporting fair use under the second factor, but sufficient expression remained protected. The third factor was not resolved by calling the copied texts short; a short headnote can itself be the entire relevant work, and the panel treated the extensive copying as unjustified by the modest transformation. [29]

Market effect

The panel considered original-market concerns, the contribution of editorial material to the value of a subscription product, potential derivative licensing and the asserted public benefits. Evidence of an actual competitive substitute and the value of the materials differentiated this record from cases involving a markedly different use. It was not a ruling that a rightsholder may defeat fair use merely by naming a price for any use. [29]

Field lesson for product teams

Record the customer problem, product substitutes, output mode and competing features of each dataset source. A team that bought access to a product and plans to recreate its commercially valuable output may face a different record from a team processing public materials to build an unrelated service. Keep public-domain opinions and licensed private enhancements distinct when building versions of training data and product search indexes.

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UNITED STATES LITIGATION

Cross-case lessons: build the matrix by act, not logo

Four anchor disputes

Different jurisdictions and records

Status labels checked November 19, 2026

Input and preparation

[*REDACTED*] separates the permanent pirate-library copies from later training copies and from replacement scans of purchased books. [*REDACTED*] resolves training on a record lacking adequate market-harm evidence for thirteen named authors and leaves a distribution theory outside the training decision. Neither justifies rolling acquisition, copy retention, interparty distribution and training into one status field. [16][17][20][22]

Product and market

[*REDACTED*] shows why a competing research product can change the inquiry even when users never see the training materials. The [*REDACTED*]/[*REDACTED*] litigation separates theories concerning training, grounding and outputs without a verified final merits judgment at cutoff. An operational map therefore follows both copies and product features, not just datasets. [27][29]

Five minimum case-matrix columns

For each disputed practice capture: (1) the copyright work and exclusive right invoked; (2) actor, copy and purpose; (3) the actual market alleged to be affected; (4) procedural status and authority; (5) evidence needed to distinguish legal analogies. For example, a new archive not used for deployment should not inherit clearance from a prior launch, and a retrieval tool that quotes paid material should not inherit a flag set for a model’s weights.

Read the strongest contrary facts

A compensation demand is not an award; a settlement approval is not a finding at trial; a summary judgment on one issue does not dispose of every issue; an appellate ruling may be narrow even though precedential. A well-designed product review tests the unfavorable analogy as carefully as the favorable one, gives each date and case number, and records when the team must check for a later order. [17][20][27][29]

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CREATIVE SECTORS AND LICENSING MARKETS

Books | One title, many rights

Identify the actual copy

Map rights by edition

Permission is use-specific

What is being copied? A book may enter a corpus as a born-digital file, page scan, transcription or licensed publisher feed. All may encode the same work; they are not evidence of the same acquisition. A scan can also include illustrations, notes, maps or an introduction owned separately. Preserve the acquisition record and an edition identifier, not just a normalized title and text hash. If a title has been translated or revised, link those variants but avoid treating them as one rights record.

Who can actually say yes? A publisher may hold print and audiobook rights while an author reserves other uses. A translation, image or anthology contribution may be licensed under separate terms. The [REDACTED]'s 2026 model clauses distinguish permissible AI uses, including separately granted subsidiary uses, rather than assuming a general publication grant includes AI training or output. This is the [REDACTED]'s model contract position, not a uniform rule for legacy agreements. [39]

What a book license should identify The grant should identify the included editions, what can be retained, whether base training or task-specific adjustment is covered, and whether passages may be retrieved or displayed. Record whether a downstream developer can use the content and whether the grant survives expiry for training already completed. Separate payment for acquisition from compensation tied to display or other foreseeable use.

Practical decision A nonprofit archive may reasonably prioritize search and accessibility; a commercial assistant that offers beginning-to-end plot or text substitutes raises a different set of concerns. Neither purpose determines the legal result alone. A project that cannot trace rights to a specific edition should pause that item rather than infer permission from a catalog record. Rights data can travel with technical lineage without exposing the text to every operator.

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CREATIVE SECTORS AND LICENSING MARKETS

Books | [*REDACTED*] shows why settlement is not a price list

$1.5B settlement fund

Final approval July 2026

Not a per-book license

What the court approved The Northern District of California granted final approval in [*REDACTED*] on July 20, 2026. The settlement fund is $1.5 billion before interest and deductions; the court approved approximately $101.6 million in counsel fees as part of the same order. Amounts administered under the plan are not equal to a universal training royalty and should not be reported as dollar-for-dollar payments to individual writers. [37] [36]

How allocation affects interpretation A settlement is a defined class mechanism. The administrator describes eligibility by listed works and legal or beneficial rights, and details disbursement and release terms. A publisher and an author may both claim an eligible work, so a headline per-work amount cannot be equated to an individual payee's amount. [*REDACTED*]'s Nov. 16 update expected first payments during the week of Nov. 23; the expectation is not a completed payment as of this report. [35] [36] [38]

The opt-out boundary [*REDACTED*] reported in its November registration materials that some authors and publishers opted out and filed separate actions; the company disputes wrongdoing in those cases. A resolved class action is therefore not evidence that every claimant, title, jurisdiction or theory was resolved. Analyze release and eligibility independently instead of applying the settlement headline to related litigation. [52]

What business teams should do Track settlement exposure apart from ongoing acquisition cost: one is historically bounded litigation risk; the other is a forward contract expense. Record reserve assumptions explicitly, rather than spreading the gross settlement across the vendor's future training tokens. Keep dates for preliminary approval, final approval, funding and claimant distribution in separate columns so a funding event cannot be mistaken for compensation already received.

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CREATIVE SECTORS AND LICENSING MARKETS

Books | A license offer is not blanket consent

Title-level opt-in

Uses can be separated

Compensation needs an audit trail

What a reported offer demonstrates In November 2024 the [*REDACTED*] described a [*REDACTED*] solicitation for inclusion of nonfiction titles in a licensing program with an unnamed AI company. The report is direct evidence of the [*REDACTED*]'s account of the offer and its policy position; it does not establish participation by every solicited author, a complete set of counterparties, or the actual words of a confidential master agreement. [40]

Consent should survive intermediaries A rights owner should be able to see which title and uses are granted, who signs, which contract version applies and whether an opt-in can be withdrawn for new uses. Explain which copies can be deleted, which derivatives remain, and whether excluding a work from a future release requires a fresh model or simply a corpus change. Never promise retroactive model removal based only on a catalog setting.

License design matters more than the headline split Separate payments to signers from payments to underlying rights holders. Define the payment trigger, currency, basis for allocation, reporting frequency, audit access and treatment of works with competing ownership claims. A license with a low minimum and separately tracked display fees has different economics from an unrestricted fixed payment. Publish aggregate coverage and payment performance without disclosing individual terms.

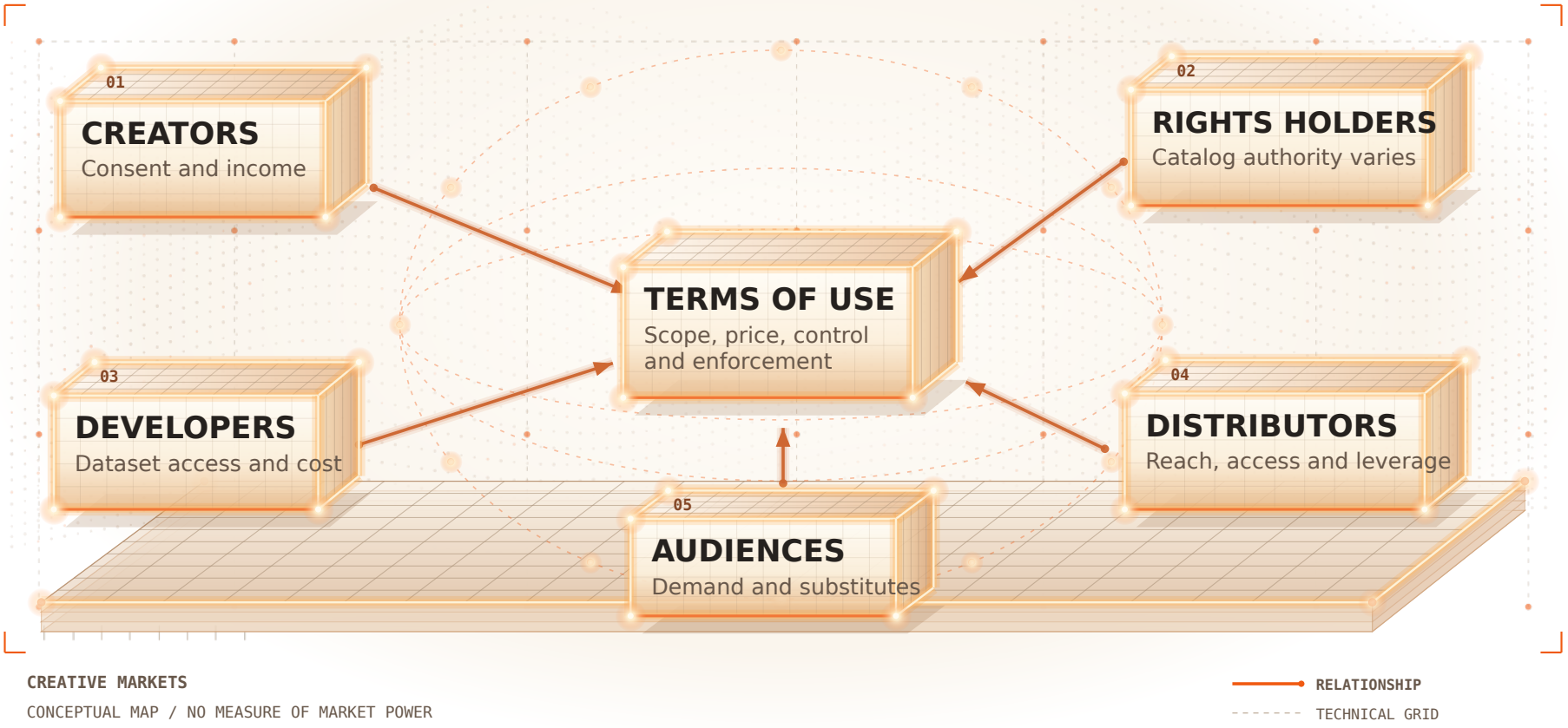
Consent also has operational costs A title-by-title grant improves control but incurs verification effort and may leave important catalogs unavailable. A collective or publisher-level arrangement can reduce these transaction costs but is only as good as its chain of authority, treatment of subrights and dispute process. The [*REDACTED*]'s baseline clauses and optional subsidiary-rights framework offer a practical example of carving out AI permissions rather than burying them in a broad residual grant. [39]

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VISUAL EVIDENCE

Exhibit 06 Who can set the terms?



Different participants shape the negotiation: creators, rights holders, developers, distributors and audiences can have different objectives. The relationship lines do not measure market share or bargaining strength.

48PEGASUS Research conceptual exhibit. Not empirical data.

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CREATIVE SECTORS AND LICENSING MARKETS

Journalism | The same article supports different products

Separate corpus and retrieval

Measure referrals and substitution

Audit third-party assets

Training access and reader display are distinct In July 2023 [REDACTED] reported an arrangement licensing part of its text archive, with the organizations also describing technology collaboration. The [*REDACTED*] report said [REDACTED] stories from 1985 onward were accessible under the deal and that financial terms were not disclosed. That historical announcement is not proof that the original agreement still covers any particular current product. [41]

What partnership announcements actually say The [*REDACTED*] and [*REDACTED*] announcement described attributed summaries, excerpts and links for relevant requests, along with model improvement. [*REDACTED*] [*REDACTED*] announcement described access to current and archived content across named outlets and display of publisher content in responses. Different announced features need not use the same dataset or technical route; neither press release exposes the full contracts. [43] [42]

Source-bounded product design A retrieval application can identify the articles actually consulted, carry edition and correction metadata, constrain displays to the rights granted and link to the publisher. That is preferable to a product design that guesses citations from language-model memory. But retrieval still involves copying and contractual questions, and a link does not justify every amount of quotation or subsequent reuse. Review the rendering location, paywall behavior and whether a summary displaces the original visit.

How to test what changes Compare engagement and referrals for comparable topics and exposure, not a single aggregate traffic series. Count fulfilled source links, usable referral sessions, corrections propagated and long excerpts blocked. Segment breaking news and evergreen archival content; timeliness and willingness to click differ. Control for ranking changes and seasonality where possible. An observed traffic decline is not by itself a finding that AI substitution caused it.

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CREATIVE SECTORS AND LICENSING MARKETS

Journalism | Verify the rights inside the article

Wire copy is not staff copy

Rights and evidence expiry

Attribution is not permission

An article is often a bundle A news page may include a wire report, a staff-written introduction, agency imagery, a syndicated chart, embedded video and third-party quotations. A deal granting a publisher's text archive may not cover any of those separate materials. [redacted]'s arrangement referred to part of its text archive, a useful reminder not to extrapolate a stated text grant to photos, clips or material sourced from [redacted] partners. [41]

Corrections and embargoes are system constraints A retrieved article can change after first publication. A sound design stores when each version became available, which text was used and whether an embargo or correction subsequently changed the display. Route deletions and restrictions to the retrieval index rather than assuming a newer language model will make old statements disappear. Treat caching, vector indexing and partial text display as separate data paths worth tracing.

Licensing comparison design Record whether a public announcement describes access, output display, model improvement, archival scope or editorial partnership. Mark undisclosed payment terms as undisclosed, not zero. Record exclusivity only if it is stated. A prominent deal does not establish a going rate: the publicly visible arrangements bundle different corpora, timeliness, products, distribution promises and obligations. [41] [42] [43]

Practical scenario A newsroom proposes giving a developer archive access, excerpts and summaries. Before agreement, test a paywalled staff story, an externally licensed image, a wire story with a local correction, and an embargoed story distributed in advance. The system should only ingest and display each asset under the intended grant. Track whether responses show accurate attribution, preserve restrictive metadata and avoid presenting a publication's reporting as independent work.

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CREATIVE SECTORS AND LICENSING MARKETS

Music | A track is at least two clearance questions

Composition ≠ master

Voice may add a separate layer

Index permissions independently

Know what rights the dataset contains The Copyright Office distinguishes the musical composition, including accompanying lyrics, from the sound recording that fixes a particular performance. One track can embody both. The underlying song can be controlled independently of the recorded performance, sometimes by several entities. A license to one does not inherently clear the other; compare the permitted activity, title identifiers, territory and signatory authority. [45]

Claims about lyrics are not claims about masters The [*REDACTED*] complaint asserts unauthorized copying of recordings and presents resemblance tests as part of its theory; its statements are allegations, not court findings. [*REDACTED*]'s November disclosure discusses separate publisher claims concerning song lyrics and musical compositions, including acquisition, training, outputs and copyright-management information theories. Treat those as litigation allegations reported by a party, not as an adjudicated catalog inventory. [46] [52]

Consent for a recognizable identity Replicating a recognizable artist identity or voice can raise issues distinct from copyright in a song or master. A commercial product might accordingly require a separate record for artist participation, name and likeness, permitted voice use and areas of distribution. The [*REDACTED*]–[*REDACTED*] announcement describes an opt-in approach for these categories; the announcement does not generalize to artists outside its arrangement. [49]

Release controls Build publishing controls that distinguish listening inside the service from downloading, remixing, business licensing and distribution to external platforms. Keep agreement evidence and controls paired, so a product update does not unintentionally expand an artist's grant. Testing should include licensed use that ought to succeed and an unapproved soundalike that ought to be flagged, with a documented reviewer for disputed results.

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CREATIVE SECTORS AND LICENSING MARKETS

Music | Settlements and licenses can coexist

2025 party announcements

No merits verdict inferred

Verify feature status independently

Three examples, not one universal clearinghouse [redacted] and [redacted] announced in October 2025 that they settled infringement litigation and agreed on future licensed recorded-music and publishing uses. In November [redacted] and [redacted] separately announced resolution of their litigation and described a planned licensed service. [redacted] also announced a distinct settlement and partnership with [redacted] that month. Each announcement is evidence of what those parties said they had agreed, not a judgment on the merits. [47] [48] [49]

Do not confuse commitment and implementation Some public statements describe changes planned for 2026, including when [redacted] intended to launch a new product and how [redacted] intended to alter models and downloading. Announcements do not establish that every change shipped on schedule, every track entered the licensed service or every participant received payment. Product operations, enrollment, rate terms and distributions need separate evidence.

What the design of these arrangements reveals The announcements describe a combination of training authorizations, creator participation choices and gated uses. A developer evaluating this path should map each to how the platform works. Does the permission apply when a fan generates an output, when a subscriber downloads it, during public streaming, or when a third party sells an adaptation? Will credits and payment data follow it across each permitted surface?

One limit on interpretation Licensing trades broader access and cooperation against negotiation, identity verification and metering costs. It can improve a catalog's viability without eliminating competition from unlicensed sources or resolving the rest of an industry's disputes. A separate 2026 [redacted] and [redacted] action against [redacted] shows why: [redacted] answered in October, and plaintiffs opposed a stay in November. These filings are not determinations of liability. Clearing a label's master catalog does not alone clear a songwriter's separate interest. [50] [51] [45]

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CREATIVE SECTORS AND LICENSING MARKETS

Images | [*REDACTED*]'s UK decision is not a training clearance

High Court judgment Nov. 2025

Secondary infringement appealed

UK and US records differ

What was decided In the English High Court [*REDACTED*] abandoned its primary training-and-development claim after conceding there was no evidence the relevant training occurred in the UK. The court rejected the secondary copyright theory on the record that the models did not store or reproduce the protected works at issue, while finding limited historical trademark infringement. The scope is essential: the court did not give a blanket ruling that training a visual model on copyrighted photographs is lawful. [53]

What the appeal addresses The appellants' replacement skeleton challenges the dismissal of the secondary theory under the Copyright, Designs and Patents Act. [*REDACTED*] argues that the relevant statutory inquiry concerns how the article was made, not whether a copy remains stored in it. [*REDACTED*] disputes that reasoning; its skeleton also addresses whether intangible model software can qualify as an article. These are arguments, not appellate holdings. No appellate decision is identified in the reviewed materials at cutoff. [54] [55]

Why location is not a footnote An image can be acquired in one country, transformed in another, and used to make a downloadable model available worldwide. Store where each event occurred and which entity performed it. The choice of claim and the location of the regulated act can be decisive; an identical dataset name in two proceedings does not make the applicable law or evidence record identical.

What evidence differentiates the theories Keep raw-image lineage, records of where copying and training occurred, model-version identifiers, documentation of the delivery path and output testing logs. A watermark-like output can be relevant to source or trademark questions, depending on surrounding evidence; by itself it does not prove a protected photograph is embodied in a particular checkpoint or that all works in a catalog were used. [53] [44]

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CREATIVE SECTORS AND LICENSING MARKETS

Images | U.S. litigation, attribution and creative markets

Scope of motion matters

Discovery is not proof

Confidence varies by provenance

The separately filed U.S. case [*REDACTED*]'s November SEC filing describes a U.S. action filed in the Northern District of California in August 2025. The April 2026 order addressed counts II through VII, dismissed the false copyright-management information claim with leave to amend and allowed several other challenged theories to stand at that stage. The motion did not seek dismissal of Count I, the principal copyright-infringement claim; do not label its continued presence a merits win. [*REDACTED*]'s filing also reports a 75-day stay ordered October 30. [56] [57]

Visual-artist litigation has a separate docket In [*REDACTED*] the government archive includes a June 2026 discovery scheduling entry specifically concerning [*REDACTED*] end-use training data. Such an entry shows that specified records were at issue in discovery. It does not establish whether a work was copied, whether a plaintiff owns it, or whether any defense succeeds. Read later docket activity separately from a substantive holding. [58]

Image licensing is wider than copyright in the pixels A photo can combine contributor-granted copyright, stock distribution restrictions, editorial-only terms, marks, publicity and permission constraints, and descriptive metadata. Rights over attribution can differ from rights over image reuse. Record which meanings, labels and usage restrictions accompany each sample; retain original associations when transforming images so evidence is not lost even when metadata must be excluded from training.

From visual similarity to market evidence One model output may reasonably prompt investigation but is not a market study. Document model version, condition, prompt family and samples tested; distinguish reproductions, recognizable subjects and broad stylistic resemblance. To evaluate substitution, look for overlap in use, pricing, client segment and timing. Avoid treating the number of images visible online as either the number used for training or stock sales displaced.

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CREATIVE SECTORS AND LICENSING MARKETS

Images | Licensed training claims should be auditable

Verify product and model

Read contributor terms

Check warranty boundaries

A concrete but bounded example [*REDACTED*]'s September 2026 contributor FAQ describes its first commercially released [*REDACTED*] model as trained on [*REDACTED*] images, openly licensed content and public-domain content. The same FAQ describes a contributor bonus for eligible material considered for training, based in part on its licensing activity over a specified period. This is evidence of [*REDACTED*]'s stated process and incentive design, not a verified item-by-item census or a universal royalty schedule. [59]

Keep model identity visible [*REDACTED*]'s [*REDACTED*] guide distinguishes its own commercially marked model from partner models, whose training sources vary. A team using a single creative interface must therefore log which actual model produced an asset and what terms apply to the account and planned distribution. A platform's marketing banner should not be carried across adjacent features as if it were a warranty for every model. [60]

What independent verification would require Request a trustworthy scope statement specifying the model family, date range, datasets, license classes and material exceptions. Where the vendor cannot disclose the corpus, ask which independent controls it can substantiate, who carried out the review, and the limitations of sampling. Distinguish documented license terms from a vendor's untested assertion that the dataset is clean.

Tradeoff A bounded corpus can lower uncertainty and make contributor compensation more measurable; it may also cover fewer rare subjects or visual traditions. Audit bias and coverage as separate outcomes, not presumed benefits of scale or consent. Indemnity, where offered, is a contract allocation of risk subject to exclusions and limits, not proof that each output is cleared. Review confidentiality, takedown, dispute and renewal paths before adoption.

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CREATIVE SECTORS AND LICENSING MARKETS

Legal software | Public opinions are not private editorial work

Separate sources and annotations

Competitor purpose matters

Third Circuit: Sept. 29, 2026

What [*REDACTED*] resolved In September 2026 the Third Circuit affirmed partial summary judgment on an interlocutory appeal in [*REDACTED*] v. [*REDACTED*]. It held the editorial materials at issue sufficiently original and rejected fair use on the undisputed record. The opinion distinguishes the public law being described from the publisher's original editorial contributions, and emphasizes that [*REDACTED*] sought to compete using those materials for a closely related legal-research purpose. [61]

Why the product design matters [*REDACTED*] concerned an AI legal-research product, not a decision that all generative training is unlawful. Drafting a standalone text-generation product and building a substitute search product pose different factual market questions. Likewise, the presence of public-domain opinions does not make associated summaries or editorial taxonomies public domain. Identify where added human expression begins and avoid flattening layered content into a single status.

Practical alternatives Consider acquiring decisions directly from court or government sources, building original annotations, or licensing the editorial corpus for stated internal or external uses. Preserve independent annotation records and tie each answer to a verified primary law source. Software teams can decompose opinion text, party metadata, editorial summaries, and taxonomy into different entries on the rights ledger; data can then be excluded or licensed by category rather than by the whole corpus.

Assessment implication When a vendor says its tool never displays underlying editorial annotations, the procurement team still needs to examine acquisition, copies used in development and the role of those materials in the value proposition. Non-display is not a universal defense. Comparative evaluation should test whether any substituted corpus delivers equivalent quality without exposing a product to a licensing uncertainty that was never budgeted or approved. [61]

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CREATIVE SECTORS AND LICENSING MARKETS

Code | Open repositories still have conditions

Open is not unrestricted

DMCA ruling is narrow

Match signals have blind spots

The appellate holding On September 16, 2026 the Ninth Circuit affirmed dismissal of the challenged DMCA section 1202(b) claims in [*REDACTED*] v. [*REDACTED*], an interlocutory appeal. Its reasoning distinguishes creating output without existing copyright-management information from removing or altering information on a copy of an existing work. An affirmance on the pleaded DMCA theory is not blanket permission to train on open-source code and does not resolve copyright infringement or contractual license compliance in general. [62]

Diagnose the actual path Separate the question whether a source file was acquired and copied for training from whether a generated suggestion was an infringing copy and whether redistribution requires notices or other conditions. A short line dictated by functionality presents different issues from a distinctive implementation. Keep the prompt, suggestion, matching repository and commit hash separate from a developer's final accepted code; similarity and provenance are related but different facts.

How a reference feature helps, and where it stops [*REDACTED*] describes displaying links to public repositories with matching code, together with licensing information when available. This supports review but does not discover all proprietary, previously removed or unmatched code, and it does not determine license applicability or compliance. Treat the reference as a lead that may need verification against the original repository and release version. [63]

Release gate for downstream teams Run the organization's normal dependency and licensing review on AI-assisted contributions before public or customer release. Where substantial matches are found, capture the applicable license, notices, attribution and the responsible reviewer's decision before merging. Do not treat a lack of flags as proof every contribution was independently authored. The cost of manual review is most justified where the suggestion is unusually distinctive, extensive or important to the product.

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Five approaches

Territorial rights

Transaction-specific review

INTERNATIONAL COMPARISON

International comparison: why location and purpose matter

The laws ask different questions U.S. adjudicators weigh use-specific fair-use factors. The EU uses distinct exceptions for qualified scientific research and broader text and data mining, together with separate obligations for providers of general-purpose AI models. UK section 29A is purpose-limited to non-commercial research. Japan's Article 30-4 asks whether the act is necessary for a purpose other than enjoyment of the expression, and whether it unreasonably prejudices the owner. Singapore provides a use-specific computational data analysis exception with source and onward-sharing constraints. These are different decision rules, not a scale from "permitted" to "forbidden." [64] [68] [69] [83] [90] [93]

Territorial law does not mean local creators only The Berne Convention's national-treatment framework protects foreign creators in other treaty countries subject to the applicable legal system. Article 5(2) links the extent of protection and means of redress, apart from Convention provisions, to the country where protection is claimed. EU Rome II Article 8(1) makes the law of the country for which protection is claimed the general rule for non-contractual IP infringement obligations within its scope. A contract's governing law is a separate question. [66] [67]

One project, several legal events A supplier can retrieve source files in one region, deliver replicated shards in a second, train in a third, store weights in a fourth, and distribute weights or provide inference in several markets. The assessment changes with the act and actor. EU market placement can trigger a provider duty even when relevant training acts occur abroad. This regulatory question must not be treated as a finding of civil infringement anywhere. [69]

Decision implication Create an act-by-act map of source rights, access, license scope, physical or service region, entities, processing purposes, and release markets. Where a rule is uncertain, distinguish admissibility, litigation risk, contractual risk, and business policy. A dataset approved for one purpose is not a passport for every copier, country, or deployment.

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INTERNATIONAL COMPARISON

United States: fair use is an evidentiary test

Purpose and character

Nature and amount

Market effect

The four factors are not a checklist of points Section 107 evaluates the purpose and character of the disputed use, nature of the protected work, amount and substantiality taken, and effect on the potential market or value. It does not create an AI-specific categorical permission. A model-development objective can inform purpose, but the amount taken, why it was necessary, how it was acquired and held, and what markets the product might affect still matter. Commercial status is relevant, not automatically dispositive. [64] [65]

Map the actual use before contrasting systems A corpus can involve an initial full download, a persistent institutional library, temporary normalization copies, training runs, and outputs. A strong justification for one does not establish the others. A researcher testing how often a word appears, a book-indexing service, and a commercial tool that lets users substitute answers for a licensed archive do not share identical facts merely because each ingests text.

Keep claims and measurements separate Document distinct market theories: replacement of the original, substitution for a licensed product in the same market, effects on licensing, and broader competition from generated works. A license offer is evidence of an offer, not by itself proof of cognizable market harm; a lack of verbatim outputs is not conclusive evidence that clients never substitute the service for paid access. Judicial decisions turn on the actual factual record. The Copyright Office training report explains its view in a pre-publication agency report, not a binding rule or merits judgment. [65]

Audit evidence Version and preserve the stated training purpose, amount of work used, evidence of rights and lawful sourcing, competing implementations, and measured outputs. Separate benchmark conditions from uncontrolled observed usage. Where counsel evaluates fair use, the business owner remains responsible for recording which project facts can invalidate the conclusion, including new sources, functions, or markets.

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Article 3

Article 4

Rights and retention

INTERNATIONAL COMPARISON

European Union: research mining and broader mining are distinct

Article 3: qualified scientific research Article 3 of the Digital Single Market Directive requires Member States to provide an exception for relevant reproductions and extractions by research organizations and cultural heritage institutions performing scientific research on lawfully accessible material. Beneficiaries must store copies securely; retention can support scientific research and verification. Rights holders can take necessary measures to protect network and database security and integrity. The Article 4 reservation mechanism does not override qualifying Article 3 activities, and Article 7 protects Article 3 against contrary contract terms. The beneficiary and purpose tests prevent a for-profit contractor from assuming a university partner's exception automatically extends to its own uses. [68]

Article 4: a broader route with a reservation Broader mining can involve reproductions and extractions of lawfully accessible materials, provided that the rights holders have not expressly reserved the use in an appropriate manner. The law identifies machine-readable means for publicly available online content. Copies made under Article 4 can be kept only as long as necessary for the mining. Retaining an unrestricted archive is a separate question. [68]

Be precise about what is being mined Definitions and relevant rights extend beyond literary works. The Directive covers defined analytical acts and lists affected rights, including specified database rights. A compilation can involve rights in its structure or extraction separately from rights in individual photographs, music, or text. A license for one layer does not necessarily cover another. National implementation and procedural facts still matter when an exception is contested. [68] [76]

Policy activity is not statutory change The Commission's September 2026 consultation covered copyright-protected content in AI alongside other topics and accepted responses until November 10. The consultation is evidence of policy review, not a new exception or compensation rule. Keep enacted rules, guidance, consultations, and court readings in separate status fields, including the effective date where applicable. [75]

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INTERNATIONAL COMPARISON

European Union: Article 53 and the training summary

GPAI providers

Market placement

Three milestone dates

A distinct provider obligation Article 53(1)(c) requires general-purpose AI model providers in scope to put a copyright and related-rights compliance policy in place, including identifying and respecting Article 4(3) reservations with state-of-the-art technologies. Article 53(1)(d) requires a public summary of training content using the AI Office's template. Qualifying free and open-source providers may be exempt from certain documentation duties, but not from the copyright policy and public summary requirements. Recital 106 explains why a covered provider cannot rely solely on where training occurred when placing the model on the EU market. [69] [70]

Applicability and enforcement differ The Commission's timeline identifies August 2, 2025 for application of GPAI obligations; August 2, 2026 for Commission enforcement powers; and August 2, 2027 as the deadline for models already placed on the market before August 2, 2025. Classify the relevant model, release, and market-placement date before applying those milestones. [70] [71]

Template, code, and legal rights The public summary is not a complete work-by-work catalog or an assurance that each input has been cleared. The Commission template asks for model and data context, relevant source categories and processing information. The GPAI Code of Practice is a voluntary means of showing compliance, not a substitute for copyright permission or an adjudication of individual works. For some modified models, a downstream firm can itself become a provider; the Commission FAQ describes a summary for the modification linked to the underlying model's summary. [71] [72]

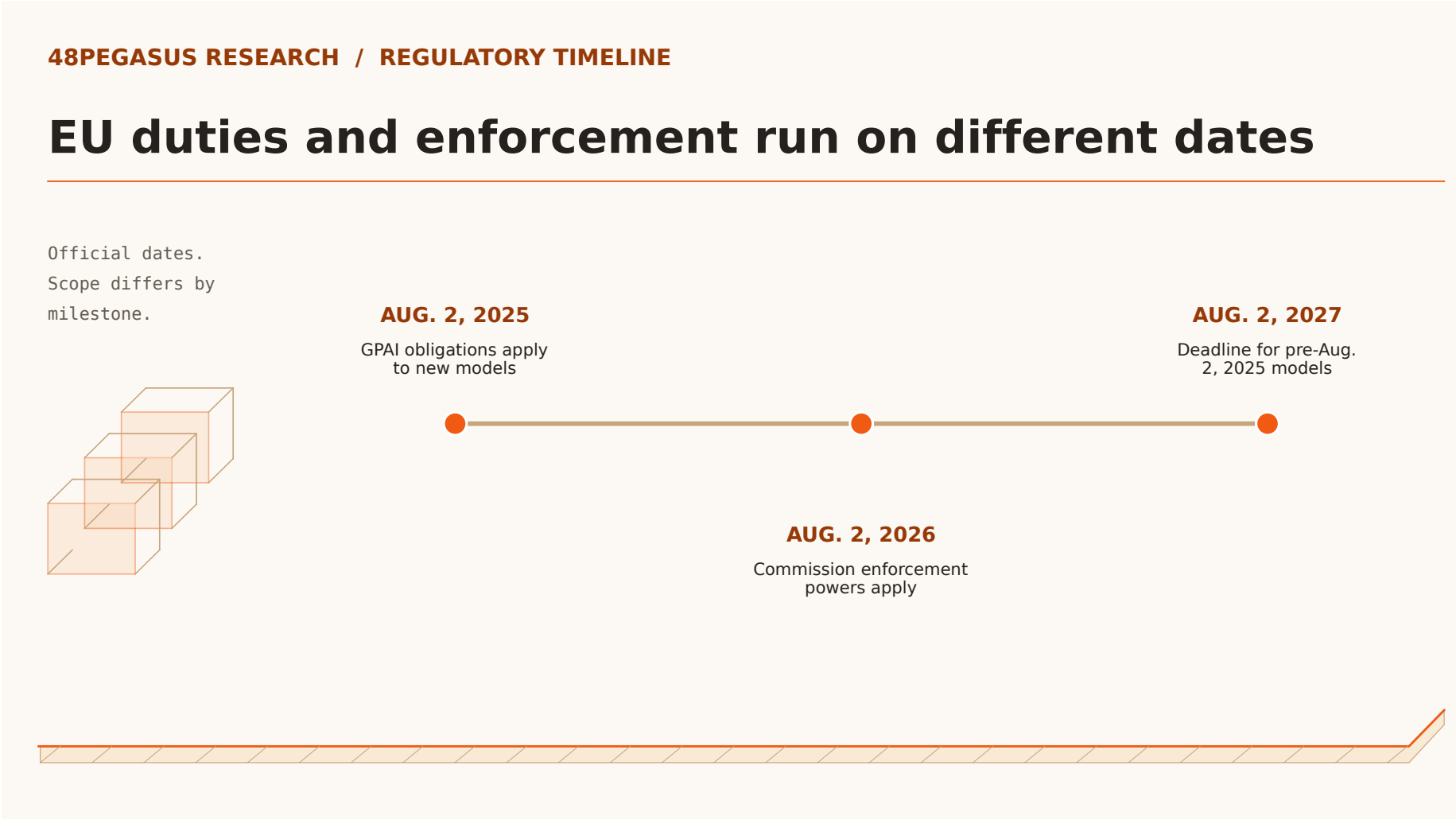
Build from versioned records Tie public statements to an approved internal release manifest and archive prior versions. Track additional training datasets and the date and significance of changes. Share required information without needlessly exposing personal data, security-sensitive sourcing details, or irrelevant secrets. Preserve internal record-level evidence for authorized investigations rather than treating the public summary as the complete audit ledger.

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VISUAL EVIDENCE

Exhibit 07 EU duties and enforcement run on different dates



The chart distinguishes applicability of GPAI provider obligations, the Commission's enforcement powers, and the transition for models placed on the market before August 2, 2025. Consult Article 111 and the Commission guidance for applicability to a given model.

European Commission, guidelines for GPAI providers: primary source

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Technical signals
Legal status
Evidence over time

INTERNATIONAL COMPARISON

Signals, reservations, and repeat collection

A browser permission is not a rights conclusion Public availability, contractual access, crawler controls, and an explicit copyright reservation are different signals. An accessible URL does not establish a license; the absence of a blocking instruction does not prove the rights holder gave affirmative consent. A technical exclusion can govern particular crawler identities or paths without capturing every downstream copy or intended purpose. For EU Article 4, the legal question is whether a reservation was expressly made in an appropriate way by the relevant rights holder at the relevant time. [68]

Interoperability is still developing The Copyright chapter of the voluntary GPAI Code includes measures concerning robots.txt and other appropriate machine-readable protocols. The Commission consultation sought input on how such signals are used; a July 2026 study assessed the feasibility of an EU-level registry, not a registry created by that study. Keep protocols, legal effectiveness, and technical enforcement separate. A product-specific setting can complement but need not replace express terms or controls elsewhere. [72] [73] [74]

Evidence design for a corpus owner Capture the exact address, retrieval date, agent identity, relevant headers and site controls, plain-language terms, and applicable contract version. If rights signals disagree, record the inconsistency rather than selecting the most permissive result. Refresh targeted checks before reuse and keep a trace from a domain-level declaration to affected individual items. An authorized reviewer, not a crawler heuristic, should resolve disputed claims and direct suspension or release.

Rights-holder perspective Publish consistent terms under the control of the actual rights holder, distinguish ordinary search from training and real-time retrieval where the relevant tools allow, and keep timestamped records of exactly what was served. A licensing contact, scoped catalog and auditable exclusion request can make commercial discussions more useful. Do not assume a later notice determines past liability or constitutes a technical unlearning request. The legal and operational paths require different evidence. [68] [73]

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INTERNATIONAL COMPARISON

Germany: [*REDACTED*] concerns corpus preparation, not every use

Research exception

General mining

Review pending

Distinguish the artifact from the training copy The Hamburg case concerns a photograph downloaded for a comparison operation during preparation of an image-text dataset. The EUIPO account of the September 27, 2024 Regional Court judgment identifies the scientific-research exception in German section 60d as the basis for dismissal. A dataset of links and descriptions does not, by itself, eliminate the separate act of temporarily copying an image to check relevance. Conversely, deciding that preparation-step issue does not adjudicate every later commercial model trained with resources found through the dataset. [77] [76]

The scope of the second-instance result According to [*REDACTED*]'s counsel reporting on the December 10, 2025 appeal, the Higher Regional Court affirmed dismissal and addressed both section 44b general mining and section 60d scientific research. Counsel's account describes the disputed natural-language reservation as not shown to satisfy the applicable machine-readability requirement on these facts. That is not a universal conclusion about natural-language terms or current technical capabilities. [79] [76]

What remains unresolved The case continued to Germany's Federal Court of Justice under I ZR 281/25. The appeal was heard on September 3, 2026 and a pronouncement was scheduled for December 17, 2026. The schedule is not a merits outcome, and any impressions reported by counsel after the hearing are not a court decision. Recheck the official case listing before relying on the posture. [78] [79]

Operational caution Classify a dataset into its metadata, hyperlinks, thumbnails, and separately fetched source objects. Preserve which rights attach to which layer; the permissive terms of a metadata release cannot confer permission to copy third-party works linked from that release. Where a supplier cites its own research exception, request a distinct explanation of the customer's intended activities before ingesting anything.

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INTERNATIONAL COMPARISON

Germany: [*REDACTED*]'s [*REDACTED*] and [*REDACTED*] cases address memorization

Lyrics versus music

Model copies versus outputs

Trial rulings

[*REDACTED*]: lyrics and substantial reproduction The Munich I Regional Court's November 11, 2025 subject-matter release reports that the court largely granted [*REDACTED*]'s claims for injunctive relief, information and damages against two [*REDACTED*] entities for the lyrics in dispute. It found relevant reproduction through memorization in the models and reproduction of lyrics in chatbot outputs; it did not treat that model memorization as covered by the German mining exception. It dismissed the separate personality-rights claims concerning mistaken attribution of altered lyrics. This is a first-instance, record-specific ruling, not a holding about all generative model weights. [80]

[*REDACTED*]: compositions rather than lyrics The same court announced on July 31, 2026 that it largely granted [*REDACTED*]'s claims concerning six musical works; the dispute did not cover lyrics as such. On the evidence before it, the court found recognizably reproducible material in versions v3.5 and v4 stored on servers in Germany and found the memorized reproduction outside section 44b. It separately addressed outputs in Germany; the release attributes liability to the provider on the examined facts, including the character of the prompts. [81]

Different objects, different questions The decisions ask what protected elements are reproducibly represented and which person or service performed the legally relevant act. Whether another model of another modality encodes particular works, whether the output came from a retrieval index rather than parameters, or whether a copy of the disputed artifact exists in the jurisdiction are factual questions, not assumptions transferable across releases. Test results may inform those questions but cannot answer them conclusively by themselves.

Weights and evidence Log the exact artifact, jurisdiction and serving mode. Compare training, stored checkpoint, output, and distribution evidence separately. Capture whether the source was independently retrieved at inference or supplied in the prompt. Escalate reproduction reports to reviewers with access to technical lineage and applicable rights documents; do not convert regional first-instance results into an automatic global ban or safe harbor. [76] [80] [81]

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INTERNATIONAL COMPARISON

EU press rights: [*REDACTED*] frames retrieval separately

November 3, 2026

Advocate General

No merits judgment

The questions under referral A Hungarian court sought a preliminary ruling on EU press-publisher rights in [*REDACTED*] [*REDACTED*] v. [*REDACTED*], C-250/25. The questions address training of large language models and chatbot answers that allegedly reuse online press publications. On November 3, 2026, Advocate General [*REDACTED*] gave a nonbinding opinion. An Advocate General's proposed answers are not a Court of Justice ruling. [82]

Training was not shown in this record The Advocate General advised treating the two training questions as inadmissible, reasoning in part that the record did not support the assumption that the publisher's articles trained [*REDACTED*] and that training was not online use of the press publication for the specific press right at issue. He separately discussed Article 4 TDM for training in principle, subject to its conditions. The opinion does not prove which training data were or were not used across any [*REDACTED*] model. [82] [68]

Retrieval may require a different authorization For answers grounded in real-time retrieval from a press site, the opinion proposed that reproducing identifiable protected expression or making it available can implicate the publisher's online rights in certain circumstances. The identity of the source, reuse of expression versus returning facts, and the nature of the communications matter. It would misstate the opinion to report either that every AI-generated summary is infringing or that attribution alone clears any reuse. [82]

A practical design consequence Store a retrieval event separately from training provenance. For a source collected at inference, retain the release, date, source URL, access policy, evidence needed to distinguish quotation from independently phrased information, and link or citation behavior. A signed training agreement must expressly cover retrieval, caching, excerpt length, attribution and delivery if the commercial product is to depend on those uses. Recheck the official case file for the eventual judgment. [82] [68]

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INTERNATIONAL COMPARISON

United Kingdom: non-commercial research and a live policy review

Section 29A

No broad opt-out enactment

November 2026 update

The operative mining provision Section 29A of the Copyright, Designs and Patents Act addresses copies for computational analysis for the sole purpose of non-commercial research. It requires lawful access and sufficient acknowledgement unless impractical or otherwise impossible. Without authorization, transfers to another person or later use for another purpose can infringe. A contractual term is unenforceable to the extent it purports to prevent or restrict a copy that section 29A permits. Distinguish that provision from separate exceptions and contract rights. [83]

A proposed exception did not become law In its March 18, 2026 report laid before Parliament, the government said it no longer preferred a broad copyright exception coupled with an opt-out mechanism. It identified evidence gaps and conflicting stakeholder views, and said it would continue monitoring licensing, litigation, technology and international experience. The consultation and report are not amendments to section 29A. A commercial developer should not infer a general clearance from the previous policy proposal. [84]

Where the policy is moving A written parliamentary answer of November 9, 2026 refers to the planned review of creator-control mechanisms, including technical standards and input transparency, and says a working group for independent and smaller creators has been established to explore licensing barriers. The separately published Creative Industries AI Adoption Plan is an independent recommendation, not government enactment. In its November 16 corrected figures, it reports 43% AI use among creative businesses versus 25% among all businesses; these figures concern broad AI adoption, not uptake of AI-training licenses or national preferences on copyright exceptions. [85] [86]

For a partnership Define an explicit boundary between research and commercialization. Review whether corpus copies, compiled artifacts, checkpoints, or beneficiaries change before transferring or repurposing materials. Version the approval rationale and retain evidence even if a subsequent legislative proposal appears more permissive.

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INTERNATIONAL COMPARISON

United Kingdom: [*REDACTED*] illustrates the importance of location

Case IL-2023-000007

Secondary claim

Appeal CA-2026-000007

What the High Court did and did not decide [*REDACTED*]'s UK primary training and database-rights claims did not proceed to a merits determination at trial after the territorial evidence concerning training and development. In November 2025 the High Court rejected the secondary copyright theory advanced against the final ■[*REDACTED*]■ model. It reasoned on that evidence that intangible software could be an article for the relevant statutory provisions, but the particular model weights had never contained or stored an infringing copy of the asserted works. Copies made elsewhere in the development workflow did not, by that fact alone, turn the finished model into an infringing copy. Separate limited trade mark findings are not affirmative holdings about training copyright. [87]

Which question was taken to appeal? The Court of Appeal materials include [*REDACTED*]'s replacement skeleton and [*REDACTED*]'s response. [*REDACTED*] challenges the determination of secondary infringement under the CDPA, including how the making of an article relates to whether it is an infringing copy. [*REDACTED*] contests [*REDACTED*]'s approach; the respective skeletons set out party arguments, not new findings. No appellate judgment is relied upon here as of November 19, 2026. [88] [89]

Hosting does not tell the whole story The trial record distinguishes a hosted service accessed by UK users, where inference occurred abroad and the user did not obtain a copy of the model through that service, from downloadable weights. The wider lesson is to trace what is copied, delivered, and stored, who controls the transfer, and which region actually hosts each operation. Facts about one endpoint do not determine other channels. [87]

Operator implications Do not promise worldwide legal clearance on the basis of where a cluster is located. Identify additional acts such as replicating checkpoints, new training and retrieval in customer regions, or downloading a self-hosting package. Record the relevant model version and geographic evidence so an adverse judgment or license change can be applied narrowly and promptly.

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INTERNATIONAL COMPARISON

Japan: Article 30-4 turns on purpose and prejudice

Non-enjoyment

Extent necessary

Guidance is not a judgment

What the statute is designed to allow Japan's Copyright Act Article 30-4 permits exploitation to the extent necessary for covered purposes that do not involve enjoying, or causing another to enjoy, thoughts or sentiments expressed in a work, subject to a proviso if the use would unreasonably prejudice the copyright owner's interests given the nature, purpose or circumstances. Data analysis is expressly listed. The provision is not simply a UK-style non-commercial research exception; it is also not blanket permission to use every work in an AI pipeline. [90]

Mixed purposes and narrow collections The Agency for Cultural Affairs' English overview draws attention to training where enjoyment of expression is also an objective, and to uses potentially implicated by the proviso. For example, a corpus acquired to build general analytical functionality presents different evidence from fine-tuning designed to produce a particular author's protected expression. A specialized database sold for analysis presents another issue: extracting and replicating material from the commercial database may engage its owner's interests even if processing is analytical. [91]

Separate generation from training The Agency's General Understanding distinguishes development and training from generation and use. A conclusion about a particular training act does not decide output infringement; the analysis of copyright in Japanese output disputes involves legally relevant similarity and reliance on the existing work. The Agency expressly says the subcommittee's understanding is not legally binding and should not be read as definitive for specific technologies. [91] [92]

Keep developer records at work level where needed Document why selected works are needed, how they are accessed, intended use, any evidence of a relevant data-analysis market, and whether product goals or fine-tuning could shift the system toward reproducing protected expression. Review rights and Japanese original wording where the English translation is insufficient for the actual matter. A single "Japan training" label does not resolve these factual questions.

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INTERNATIONAL COMPARISON

Singapore: permitted computational analysis has boundaries

Sections 243–244

Lawful access

Limited sharing

A separate statutory approach The Copyright Act 2021 defines computational data analysis in section 243 to include using material as an example of a type of information to improve a computer program's functioning, with image-recognition training as an example. Section 244 provides permitted uses for copying or communicating in defined circumstances. It is more specifically framed around analysis than U.S. fair use and is not written as a non-commercial research-only route like UK section 29A. The Intellectual Property Office of Singapore explains that the safeguards matter just as much as the covered activity. [93] [94]

Source restrictions are substantive The user must have lawful access. Circumventing a paywall does not establish lawful access; database-use terms can matter, subject to the statutory rule that certain terms restricting the permitted use are void. Section 244 also imposes conditions for source copies that infringe, addressing knowledge, flagrantly infringing online locations, and narrowly prescribed purposes. "Openly reachable," "lawfully accessed," and "non-infringing" describe different facts. [93]

Copies are not freely shareable Copies made under the exception may not be used for unrelated purposes. Onward supply is narrowly conditioned; the statute addresses verifying results and collaborative research or study related to the analysis. Providing a bulk training export to an unrelated commercial customer is not shown to qualify merely because the original mining qualified. [93] [94]

Compare the business question, not the slogans For a Singapore collection project feeding an overseas product, list separately the source copy, analytical act, exports, licensing terms, and future delivery channels. If a customer needs its own corpus copy for ongoing service, ask what distinct permissions support the transfer and buyer's intended use. Keep contract interpretation separate from whether the statutory exception is available; review privacy and non-copyright restrictions separately.

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INTERNATIONAL COMPARISON

Cross-border operating map: collection is not deployment

Five location records

Focus on actual acts

Track downstream actors

A hypothetical supply chain A publisher hosts an archive in Europe; a contractor acquires licensed articles from an authenticated interface; a U.S. team operates preprocessing; a Japanese cloud region trains the model; and an EU entity makes a version available to customers. Nothing about that fact pattern establishes permission beyond the exact license. Evaluate creation of mirror copies, any territorial restrictions or supplier conditions, duration of storage, onward data delivery, and whether placing a covered model in the Union triggers Article 53. [66] [67] [69]

Geographic records must be operationally specific Record where the source was served, where copies landed, which legal entity made each copy, how processing and backup regions were chosen, where checkpoints and indexes are stored, and where the model or service is placed on the market. A billing address, home office, marketing market and runtime region are rarely substitutes for one another.

Make migrations explicit A storage relocation can create new copies and change authorized access. A backup policy can outlast the original license term. A customer capable of downloading weights poses a different artifact-distribution question than a remotely served endpoint. If contractual or statutory obligations require a region-specific control, connect it to build and release infrastructure. A contract should spell out whether affiliates and cloud subprocessors can access protected material and where. [69] [87] [81]

What to ask before proceeding Determine if intended acts match documented permission and review legal exceptions separately from contract obligations. If facts are missing, hold the affected corpus version or region while pursuing evidence. A region-approval record should state its exact boundary and owner and name triggers for reevaluation: changed sourcing, additional languages, new jurisdictions, redistribution or real-time retrieval.

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INTERNATIONAL COMPARISON

Cross-border licensing and privacy: two independent gates

Rights chain

Privacy and transfer

Approval evidence

Negotiate a bounded rights grant Identify which rights the licensor controls and whether it can grant training, storage, annotation, evaluation, fine-tuning, external model distribution, or retrieval rights. Mark permitted territories and roles for contractors, affiliates and partners. Include audit rights, corrections, takedown timelines, treatment of snapshots or checkpoints at termination, and responsibility for infringement and restoration costs. A headline “global license” is not a substitute for scope detail or chain-of-title evidence. [66]

Privacy does not follow copyright title A training license cannot itself establish a GDPR lawful basis, authorize processing special-category personal data, or resolve a covered third-country transfer. EDPB Opinion 28/2024 distinguishes model anonymity from removing obvious identifiers and frames legitimate interest as an assessment of the interest, necessity and balancing of rights. Its application is case-specific. The EDPB Guidelines 03/2026 source cited here is a consultation document with feedback closed October 30, not a new statute. [95] [96] [97]

Keep two approval records Maintain a copyright record describing provenance, work categories, permission or exception, and uses. Maintain a distinct privacy record describing data categories, collection, lawful basis, minimization, recipients, and transfer assessment where required. An aggregate summary can be public while detailed records remain restricted to authorized reviewers. Link both to the release manifest without copying sensitive source content into a broadly accessible dashboard.

Make rights changes practical Provide a contact and a status workflow for corrections and disputes. Map an affected work to corpus and product versions, determine forward exclusions, and distinguish retained evidence, deletion obligations, retraining and claims about unlearning. For regions with materially different requirements, authorize releases and features separately rather than presuming that one global deployment plan works.

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TECHNICAL GOVERNANCE AND CONTROLS

A rights control plane for AI projects

Verify each use

Start with a gate

Scope before volume

A license follows an activity The same article might be approved for internal discovery, unavailable for pretraining, and licensed for public display only as a link and headline. Store the distinction in a control plane: a rights ledger, policy engine, and set of enforcement points that sit outside the model. Treat collection, possession, transformation, indexing, training, evaluation, deployment, and output as separate decisions. The U.S. Copyright Office describes how different stages can involve different acts of copying; the details of a specific use still matter. [98]

Identify accountable owners Assign acquisition to a data steward, permission review to a rights owner, material exceptions to counsel, and enforcement to engineering. Product owns the decision to withhold or redesign a feature. A dataset owner should not approve their own exception. Store an expiry and an accountable person on every override, and keep the change history visible to assurance and compliance teams.

Make the policy executable Enforce at least three boundaries: before a collector brings material into the approved corpus, before a training job reads a shard, and before a retrieval system displays or passes content to a generator. A dashboard without enforcement can tell the team about an incident after it happens; it cannot stop the pipeline from admitting the wrong material. Build a path to quarantine that is easy for operators to use.

Establish a minimum viable pilot Start with one training or retrieval application and one source whose authority can be documented. Simulate an unknown-rights item and a license expiry before opening more feeds. Demonstrate which metadata is attached at collection, who can override scope, and whether a new run actually blocks a rejected asset. Treat the NIST generative AI profile as guidance for risk management and documentation, not as a certification or interpretation of copyright. [99]

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TECHNICAL GOVERNANCE AND CONTROLS

Provenance at intake: know what the statement proves

Evidence before admission

Identify the work

Keep original lineage

Capture the acquisition event For each source batch record a source and version identifier, acquisition channel and time, supplying entity, governing agreement or attestation, parser and version, intended use, and a content digest for verifiable objects. Capture edition, work identifier, or rights-holder catalog mapping when available. Record where signals came from: a purchase invoice, an executed license, a rights-holder notice, or a dataset vendor's assertion. They answer different questions.

Distinguish content identity from identity of rights A cryptographic digest helps establish exact byte identity, but a scanned edition, its OCR, and a clean digital edition can carry essentially the same work under different hashes. A URL proves where a collector requested content, not that the publisher owns every item on the page. A claimed consent timestamp proves no more than the identity and authority controls around it.

Document confidence, not just origin Datasheets for Datasets proposes documenting composition, collection, uses, distribution, and maintenance; it is a useful framework for a dataset-level report but not a substitute for item-level restrictions on heterogeneous collections. A practical inventory records the percentage covered under documented rights, the percentage supported by vendor-only assertions, and the percentage quarantined. Report both item and exposure-weighted coverage when the sampling mix repeatedly selects the same source. [100]

Check what a verifier can reproduce Take a stratified sample across source families and rights classes. For each selected asset, reconstruct the source authority, scope decision, and dataset membership without asking the original engineer to remember the workflow. Separate verified failures from evidence unavailable under the reviewer's access scope. Report the sample design, strata, and uncertainty. Do not advertise a full-corpus rights audit based on a convenience sample of easy files.

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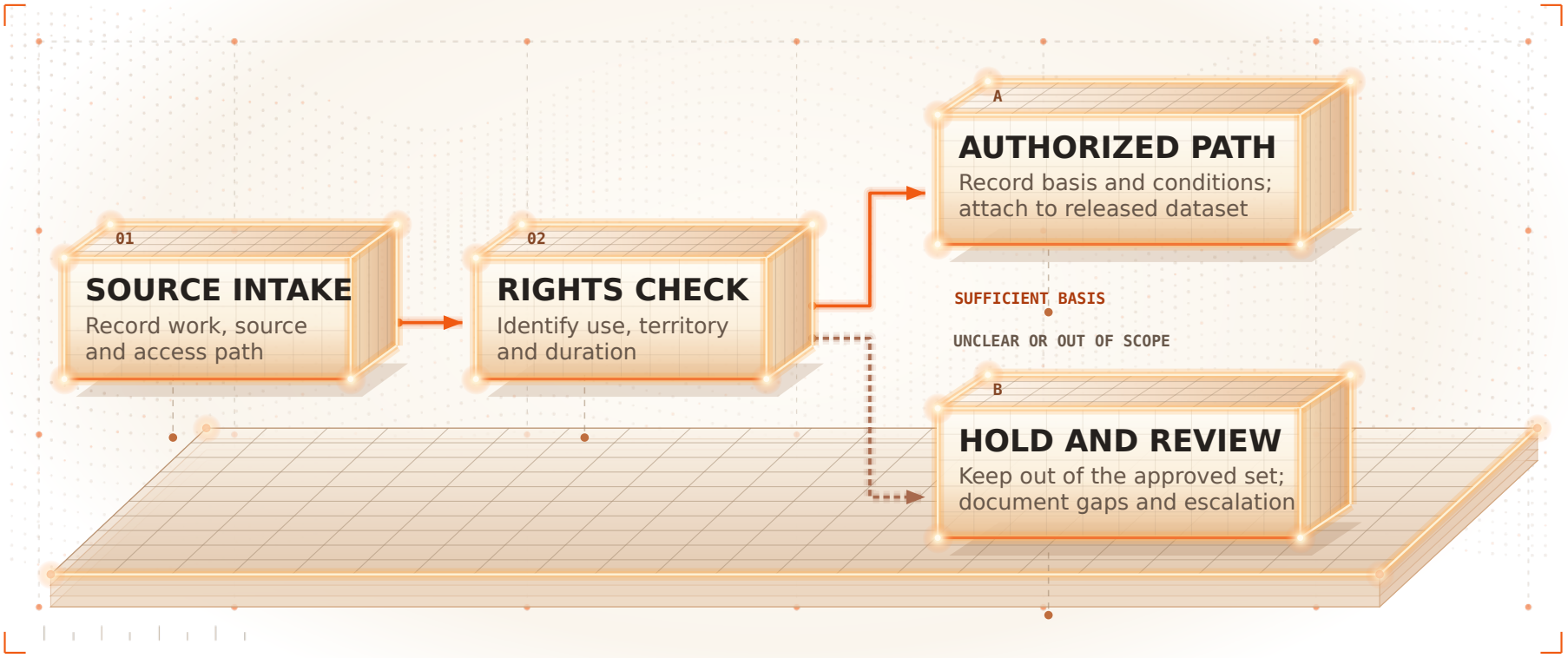
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VISUAL EVIDENCE

Exhibit 08 Provenance before use

48PEGASUS RESEARCH / WIREFRAME / CONCEPTUAL

Provenance before use



This proposed intake gate records the source, rights basis and authorized scope before a dataset is released. Ambiguous or out-of-scope material stays on hold for review. This is a control design, not a legal safe harbor.

48PEGASUS Research conceptual exhibit. Not empirical data.

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TECHNICAL GOVERNANCE AND CONTROLS

Convert licenses and consent into machine-enforceable scope

Explicit actions

Respect expiries

Review ambiguous terms

Represent rights as scoped records Separate the permission to acquire or store a copy from the permission to use it for embedding, training, evaluation, fine-tuning, public quotation, adaptation, or weight distribution. Record territory, term, permissible counterparties, retention, removal, sublicensing, attribution, and whether derived outputs are limited. A single approved flag cannot represent a transfer restricted to one product or a license valid only during a defined term.

Make source records discoverable Use stable identifiers for the grantor, agreement, source, work, and associated versions. Protect full text of contracts while allowing authorization services to check narrowly necessary fields. W3C ODRL illustrates a machine-readable pattern for permissions, prohibitions, duties, and constraints; it does not establish the validity of a contract or claim. If the natural-language instrument and coded rule diverge, halt the affected use and have the responsible people reconcile them. [103]

Confirm authority and scope An artist may control some rights but not the recording, an author may have assigned selected market rights, and a publisher may have contracted separately for images. A verified account alone does not demonstrate power to license everything uploaded. Require stronger evidence for uncertain rights chains, high-risk corpora, and agreements covering unrelated works or future reuse. Unclear authority should not be converted into affirmative consent by inference.

Exercise the rule before use In an illustrative test, a license permits a regional search interface until a fixed date, but not model training. Test an allowed search, a denied training run, a denied out-of-region search, and a denied search after expiry. Record the expected and observed results. A test of successful retrieval alone misses the principal failure modes: use outside purpose, territory, or period.

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TECHNICAL GOVERNANCE AND CONTROLS

Collecting public material: respect the signals without overstating them

Crawl signal is not permission

Keep the snapshot

Do not route around a block

Capture the policy that was in force For a reviewed source, retain the crawler identity, collection window, hostname and relevant path scope, applicable machine-readable directives, and text or digest of governing terms. An acquisition log linked to a rule version lets an investigator test whether the collector respected the restrictions observed at the time. Rights and terms can change; a page's current settings are not evidence of its policies months earlier.

Do not confuse a fetch with a license RFC 9309 describes crawler rules and explicitly distinguishes them from access authorization. A status code or successful download is not an authorization to train. Conversely, practical and legal implications of a reservation depend on the applicable rules and context; do not replace rights review with a blanket robots-only decision. Separately record any direct license and any regime-specific rights reservation. [104] [98]

Decide conflicting signals before collection A platform-level robots file, publisher-specific data feed, account subscription, and item-level rights notice may point in different directions. Stop and reconcile conflict rather than silently selecting the most permissive signal. For a new acquisition, document legitimate access and separately determine whether its intended use is allowed. Treat uncertain credentials, rate-limit workarounds, and upstream copies of uncertain provenance as intake problems, not opportunities to bypass a review.

Protect the audit trail Keep a record of allowed and disallowed runs, including rule changes, exceptions, and collection stops. Do not store more protected material than necessary simply to prove that collection occurred; a controlled manifest, source identifiers, and a lawful copy of relevant authorization evidence may suffice. If material already collected becomes disputed, stop new use and consult the retention owner before deleting potentially relevant evidence.

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TECHNICAL GOVERNANCE AND CONTROLS

Dataset lineage: make every approved training run auditable

Source to run to weights

Store both directions

Track replication

Draw the actual graph Link a work or source item to raw copies, transformed copies, normalized variants, duplicate clusters, shards, sampling recipes, training runs, checkpoints, fine-tuned derivatives, and deployments. Record actual shard membership and the sampled mix where instrumented; a run's planned dataset is not proof of what it consumed. Model provenance is more than the public model name. The signed release should resolve to an immutable training manifest and the exact artifact identifiers.

Use a consistent vocabulary W3C PROV-DM distinguishes entities, activities, and accountable agents. That pattern can represent what was generated or used, what derives from what, and who authorized an activity. It does not provide a license. A dataset card and a model card give auditors readable context; an authoritative lineage graph makes their separate assertions traceable to versions and released artifacts. [102] [101]

Keep the ledger usable The training gate should accept an allowlisted manifest signed for a named use, not permit arbitrary reads across the data lake. Store a digest, source counts, exception identifiers, and approval version; keep any item-level rights and terms under appropriate access controls. Ensure that training, evaluation, experimental and production workspaces do not share a silent default grant. If the gate is bypassed, reject the untracked release until its inputs can be reconstructed.

Measure traceability both ways Given a checkpoint, find the manifest and policy versions that produced it. Given a dispute about one work, enumerate every retrievable storage copy, affected index, run, and released artifact that the records can identify. Measure successful traversal and time to answer separately. Label gaps as unknown; limited logging is not proof a work was never used.

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TECHNICAL GOVERNANCE AND CONTROLS

Revocation and removal: know what can actually be undone

Stop future use first

A delete is not unlearning

Track backups and weights

Respond in stages Disable new acquisition and quarantine future use of the affected material when warranted. Enumerate primary copies, transformed copies, snapshots, retrieval chunks, caches, staging shards, backups, and all model descendants before promising a remedy. Triage distinct requests: a contractual removal, expiry-driven retention change, disputed ownership, court order, or privacy claim may have different conditions. Counsel should resolve conflicting obligations, including preservation.

Verify copy and index removal Prove which live copies and caches were deleted, which backups will age out, and which archives remain segregated or on hold. Rebuild or update indexes and test local and replicated retrieval. For storage-media disposal, NIST SP 800-88 Rev. 2 addresses media sanitization and assurance; it does not guarantee deletion of a row from a cloud service, retraining of a model, or compliance with a copyright remedy. [110]

Treat weights separately Deleting source files does not reverse previous parameter updates. Options include retiring the affected model, rebuilding from an uncontaminated base, retraining a suitably isolated component, or testing a narrower removal technique. [*REDACTED*] and colleagues demonstrated a sharded approach that limits some retraining in their experimental setting. Its advantages depend on training architecture and workload, and are not transferable as a promise for a frontier model. [109]

State limitations in the receipt Report what was removed, from where, when, what is blocked from future use, and what model behavior was tested. Data beyond the operator's control, such as previously distributed weights, cannot be described as recalled without evidence. A filter blocking tested completions is not proof that the underlying artifacts were changed. Record the residual uncertainty, owners, review date, and any further verification due.

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TECHNICAL GOVERNANCE AND CONTROLS

Deduplication reduces some exposure, not legal risk by itself

Keep equivalence separate

Detect transformation artifacts

Measure effect on coverage

Use more than hashes Exact duplicates can be flagged by a digest after a specified canonicalization step. Edited, translated, watermarked, or OCR versions may require separate classifiers or human review. Practical tools include repeated substring detection, similarity-based clustering, text-normalization comparisons, and media fingerprints tested for the format. Keep false merges visible: a short notice or standard phrase repeated across books does not prove that two works are the same.

Preserve rights across duplicate clusters Clustering links related material for review but does not transfer authorization from one copy to an otherwise restricted one. Keep the acquisition proof for each member, indicate the representative selected for training, and document which rights authority covers that representative. Do not drop attribution or rights metadata when cleaning files. When ownership or scope differs, evaluate the distinct editions and grants.

Ground the risk claim In a specific language-model experiment, [REDACTED] and colleagues reported that dataset deduplication resulted in models emitting memorized text roughly ten times less frequently in their evaluation. The result is a study finding, not a universal risk multiplier, a claim of zero memorization, or a conclusion about legal permission. [REDACTED] and colleagues separately observed stronger memorization with factors including repetition and model capacity in tested configurations. [105] [106]

Compare against a controlled baseline Evaluate deduplication against a recorded baseline training recipe and fixed test set. Compare duplicate exposure, suspicious-output events, quality and language coverage. Check minority-language and minority-format performance where aggressive matching can collapse meaningful variation. Test membership leakage indicators separately from quality gains. A claim of improvement must identify the evaluated models, datasets, threshold and date; avoid converting paper benchmarks into production certification.

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TECHNICAL GOVERNANCE AND CONTROLS

Evaluate memorization without unauthorized test materials

Rights-cleared test corpus

Controls and baselines

No universal safe threshold

Design a rights-cleared evaluation Use internally commissioned or otherwise authorized benchmark works, synthetic canaries, and suitable comparison material. Control who can see the reference text and preserve only necessary excerpts. Measure whether the model reproduces recognizable expression when given ordinary or repeated product requests; include conversational sessions and source-ablation comparisons. Define prompt budgets, matching rules, and sampling strata before testing. Distinguish exact strings, near copies and coincidental matches.

Separate evidence from conclusions [*REDACTED*] and colleagues reported hundreds of verbatim training sequences extracted from [*REDACTED*] in a research setting. That does not show that all models preserve entire files or all products expose them. [*REDACTED*] and colleagues argue for matching non-training controls because a plausible sequence or widely circulated language can be emitted without prior exposure to the exact target. Observed similarity is a triage signal; context and source attribution still require review. [107] [108]

Use thresholds for engineering, not law Illustrative gate: no confirmed severe reproductions in a defined high-risk test suite before release. Define severe as a policy category using scope, expression, length, and plausible substitution, not a purported legal word count. Under idealized independent trials with zero events in 300 tests, the one-sided 95% upper bound is about 1.0% for the tested distribution, not proof of no risk. Repeated prompts for one work are correlated, so report uncertainty by meaningful testing unit.

Retain findings without publishing test material Publish version, date, denominator, kinds of test, and bounded outcome. Secure only necessary evidence, stop publication of high-risk reproductions, and send suspected failures through controlled internal review. Report which deployments and languages the test did not cover. A release should not be approved merely because one prompt style or modality passed.

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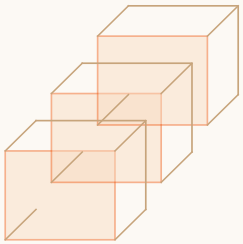
VISUAL EVIDENCE

Exhibit 09 Zero observed matches does not mean zero risk

48PEGASUS RESEARCH / ILLUSTRATIVE STATISTICAL METHOD

Zero observed matches does not mean zero risk

One-sided 95% upper bound. Zero observed matches.



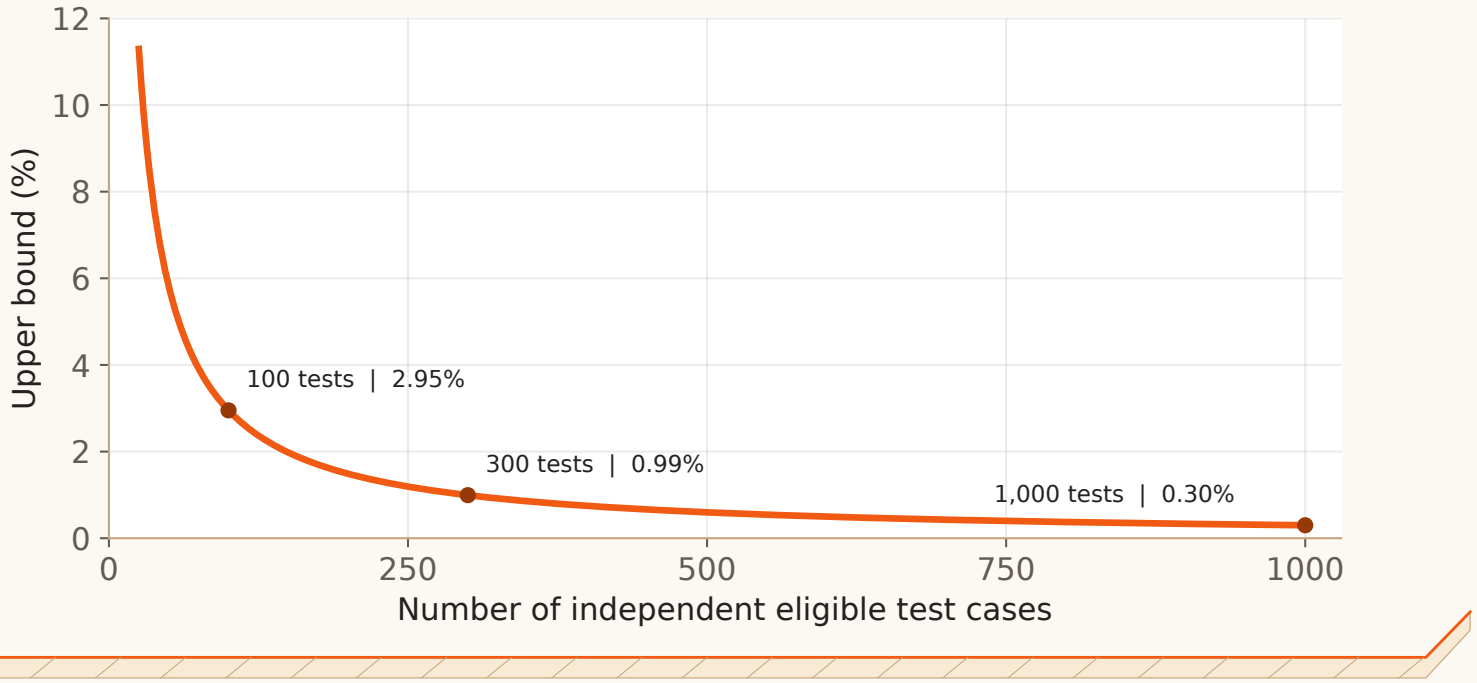


Illustration only; no model was tested for this paper. With zero observed events in n independent homogeneous Bernoulli trials, the exact one-sided 95% upper confidence bound is 1 − 0.05^(1/n). Repeating near-identical prompts can violate independence; these bounds cannot establish legal safety or certify rare-event exposure.

48PEGASUS Research calculation; no empirical observations.

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TECHNICAL GOVERNANCE AND CONTROLS

Retrieval, indexing, and training are separate technical activities

Allow at index and query

Propagate scope

Keep indexes and weights distinct

Locate every copy Retrieval-augmented generation combines model generation with externally retrieved information; the original [*REDACTED*] et al. paper used a dense index as part of the architecture. An index can be updated without retraining underlying weights, but it may include stored source chunks and associated metadata. Search results, transient model context, cached answers, and observable logs can each contain text or sensitive information. Inventory all layers rather than assuming vector search stores nothing important. [111]

Authorize retrieval before generation Carry the source's permitted audience, product, territory, use, expiration, and output constraints into the index. Query-time entitlements should exclude inaccessible sources before ranked candidates reach the generator. Check data sent to any external model endpoint against separately reviewed transmission and retention terms. Ensure cached results inherit permissions and expire or invalidate when records change. A retriever seeing a document and an end user permitted to receive a passage are different cases.

Make possible modes explicit Build distinct paths for search-only metadata, excerpt-based results, internal-use analysis, and separately authorized training. Attach a source link where appropriate but do not treat a citation as a license. If a license allows only link-based discovery, configure retrieval and generation accordingly; if no appropriate text can be used, say so and present the permitted source information rather than inventing an answer.

Test expiry and tenant boundaries Use fabricated fixtures with two tenant identities, one revoked item, and conflicting public and restricted editions. Test that a prior cache hit cannot reintroduce revoked material, and that changing account scope correctly changes retrieval and output. Keep traces with opaque record IDs rather than full text where possible. A successful rights check remains subject to ongoing input, output and operational controls.

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TECHNICAL GOVERNANCE AND CONTROLS

Output assurance: limit substitution without suppressing legitimate use

Separate evidence from policy

Examine aggregate exposure

Route ambiguous cases

Analyze context, not just length For sent or displayed output, verify the user-visible source, permitted quotation scope, attribution and other conditions. A short but distinctive passage may matter; a long result consisting of facts, user-provided content or properly licensed originals poses different questions. A rights-risk classifier or similarity check can prioritize review, but no universal phrase length determines infringement. The Copyright Office's training report discusses the significance of output and market effects to the broader fair-use analysis. [98]

Combine several measured controls Select source-aware similarity checks, output constraints, product-specific templates, and safe fallbacks. Track possible sequential reconstruction across an authorized test session, not solely over individual messages, since short excerpts may accumulate. Evaluate how controls affect legitimate quoting, criticism, accessibility, and creative workflows. Keep person-specific personalization, regular task telemetry and rights-assurance evidence separate unless there is a defined need and acceptable governance basis.

Make false positives actionable Compare actual positives, false positives, and false negatives on rights-cleared annotated cases. Report rates separately for text, code, audio, and images when a single decision boundary is inappropriate. Where detection is uncertain and the impact is material, route for human review or fall back to a licensed alternative. Show users how to dispute an incorrect refusal without exposing private rights data or teaching them how to bypass safeguards.

Use a narrow notice The system should not label a positive match infringement, imply a licensor endorsed the application, or claim a detector is a law-compliance engine. For publicly shareable results, show plain-language source and confidence where useful. Record model version, context source, policy version and resolution, not more content than necessary. Give operators a way to pause narrowly while preserving evidence behind a report.

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TECHNICAL GOVERNANCE AND CONTROLS

Vendor and open-weight diligence: ask what the supplier can prove

Assess inherited scope

Require auditable answers

Distinguish model and data licenses

Ask for the right artifacts For a hosted model, request documentation of intended uses, evidence class for training data, high-risk exclusions, retention terms, opt-outs or complaint paths, and applicable service terms. For open weights, also examine distribution terms and the lineage of base models, adapters and datasets. An openly available artifact and a broad license on the weights do not establish that all underlying material was licensed for training. [101] [99]

Translate answers into deployment decisions A supplier's material claims should be recorded as independently verified, contractually attested, public documentation only, unknown, or contradicted. Verify who bears rights-claim response, notification, defense, cooperation, insurance, compensation and removal obligations. These are diligence topics, not guarantees. Counsel evaluates contract scope and enforceability; product owners evaluate whether the feature is acceptable with the actual evidence.

Set controls for uncertainty If a supplier cannot explain data origin, reduce scope or choose a better evidenced alternative rather than marking the item approved through urgency alone. Example responses include disabling verbatim outputs, separating third-party data from fine-tuning, allowing only rights-cleared retrieval sources, and withholding public redistribution. Those constraints do not necessarily resolve upstream liability; they limit specific downstream exposures while the question is investigated.

Make reassessment automatic at change Version changes, new capabilities and revised service terms can alter assumptions even when the model has the same commercial name. Establish notice triggers, define when a new model must pass the same test suite, and track material regressions by tagged model version. If an online service lacks fixed versions, measure and disclose that reproducibility limit and maintain a practical fallback.

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TECHNICAL GOVERNANCE AND CONTROLS

Evidence retention: preserve decisions without building a shadow corpus

Separate the ledgers

Record chain of custody

Preserve only what is needed

Design evidence for two audiences An internal reviewer needs access to enough detail to reconstruct why a work was obtained and how it was used. A public report can describe aggregate source categories, applicable policy, and a complaint process without redistributing copyrighted works, confidential agreements, or personal information. Maintain a controlled private register and a redacted public transparency layer. Where signed content credentials exist, treat them as assurance about validated assertions, not conclusive proof of rights. [112]

Capture traceability at the time of action Store approval references, versioned rights decisions, timestamps, job identities, relevant permission scopes, document digests, and immutable signed manifests under retention controls. Record who changed a decision and what approval allowed it. Separate copies of disputed output, contracts, and legal notes into access-limited systems that retain their own custody and retention history. A digest supports integrity checks, not authentication of claimant ownership or permission.

Reconcile deletion and preservation For a verified hold, identify affected custodians, source records, relevant logs, versions, and artifacts. Pause ordinary destruction for in-scope material where appropriate, label the hold, and prevent production reuse. Keep backup cycles visible, and log restoration so removed items are not silently reintroduced. Use the legal and privacy owners to settle conflicts rather than letting operational retention settings determine the result.

Check that a conclusion can be reproduced An unrelated reviewer should be able to trace from an assertion in the model-release packet to a signed manifest, the rights status of a selected source, and the named evidence owner. A redacted record should remove protected details but identify the verification boundary. Publish only the conclusions supported by the accessible record and state when a trusted third party can see evidence unavailable to the public.

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TECHNICAL GOVERNANCE AND CONTROLS

Monitoring and appeals: respond to disputes before they spread

Clear intake

Contain and investigate

Separate review and appeal

Make the path usable Provide a reporting route for creators, rights holders, users and sources. Ask for the work identifier or URL, the claimed interest, the product and approximate time, and a narrowly scoped description of the concern. Accept proof proportionate to the claim without demanding unnecessary personal details or asking a reporter to republish the contested work. Acknowledge receipt, identify the record for later follow-up, and state what technical evidence helps.

Classify incidents Distinguish questionable acquisition, misclassification of scope, retrieval of disallowed text, output similarity, attribution failures, and unresolved remediation. Assign severity according to credible impact, persistence, affected audience, and rights evidence. One confirmed material issue can justify a targeted pause even when overall flagged rates are low. Separate automated triage from a determination on ownership, exceptions, or legal obligations. [99]

Offer credible secondary review Assign appeals to someone who did not make the initial substantive decision where feasible. Document what was challenged, evidence considered, new findings, and action taken. Confirm only what can be shown: for example, excluded from new runs and disabled in retrieval, not permanently absent from all models. Where a report lacks enough evidence to resolve, specify missing facts and allow supplementation without implying a legal determination.

Monitor proportional service targets Illustrative internal targets are acknowledgment within two business days and assignment of an owner within five; urgent confirmed issues need faster escalation. Targets are not statutory periods or externally promised deadlines. Track time to triage, mitigation, and verification, along with reopen rate and appeal reversals. Report the denominator and time window. An improved median can mask long unresolved cases, so review age bands and the last open action.

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TECHNICAL GOVERNANCE AND CONTROLS

Release review: a worked example and measurable gates

Proposed tests, not law

Named signoff

Record decision exclusions

Make the case testable A fictional publisher grants employees access to an internal archive through one application. It explicitly allows index construction and short credited results, but not model training or public republication. The intended launch uses reviewed, licensed retrieval on a hosted model with separately established endpoint terms. The release must exclude public display, personal-account export, and use of archive text to train a model unless rights are negotiated in a distinct agreement.

Define measurable gates up front Illustrative internal targets: 100% of proposed source batches have a traceable authority record and named owner; zero unknown-right batches enter training; zero unauthorized accesses occur in the pre-registered tenant and expiry suite; and all high-severity findings close or block release. The second rule should block archive content entirely for this scenario, even when provenance is complete. Report tests against actual release flags, not a vendor demonstration.

Interpret a pass in scope Assume the team tests 120 access cases and observes zero unauthorized results, all 12 source batches have an evidence record, and two licensor-defined test excerpts reach a prohibited output channel. The result is a hold because the output boundary failed, not a pass based on a favorable average. Correct the routing, repeat the entire table of affected cases, and separately validate previously passing controls for regressions.

Make signoff challengeable The release packet states product, versions, dates, approved source cohorts, excluded uses, methods, measured outcomes, next review, contact and residual unknowns. Engineering validates controls; the rights owner validates scope; product owns any restriction or delay. No one treats internal thresholds as legal safe harbors or guarantees of future behavior. A version, audience, vendor or rights change triggers scoped reevaluation before expanding availability.

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IMPLEMENTATION AND RECOMMENDATIONS

A decision matrix for dataset intake

FIELD NOTE

Allow, hold, restrict and reject are technical states with documented owners; they are not legal conclusions.

The intake decision

Allow material only for clearly specified uses supported by recorded evidence and a responsible review owner. For example, a time-limited license for internal model evaluation would not authorize field-testing a commercial endpoint. Store the expiry and the approved environment with the asset, so a later pipeline cannot silently substitute a broader purpose. [15] [6]

Hold a collection if scope, identity, chain of authority or applicable geography is materially unresolved. A hold should not become an informal staging pool that remains queryable by training jobs. Restrict if known conditions can be enforced technically, such as disabling excerpt display while allowing a particular evaluation. Reject where source terms or the approved legal review prohibit the proposed use, or where the organization cannot enforce needed limits.

The review record

A decision record should contain source identifier, copy identifier, version, acquisition time, intended use, permitted phases, geographic constraints, relevant license or reviewed exception basis, policy version, reviewer and a planned revisit. Retain evidence at a granularity that maps to the data actually used. If a batch is partly ineligible, split the lineage rather than allowing a lot-level approval to override asset-level defects.

At release, ask a reviewer not involved in the acquisition to reproduce three asset decisions from the manifest. If it is not possible to tell which material was in a run, pause scope expansion for the affected collection until a reconciliation is approved. The organization can measure the fraction of sampled records reproducible across source types and monitor that fraction over time.

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IMPLEMENTATION AND RECOMMENDATIONS

A procurement questionnaire that yields evidence

FIELD NOTE

A vendor statement is useful only when it identifies scope, exceptions, recurrence and accountability.

Ask for artifacts

Request a numbered model version, a dated use-and-source description, disclosed limitations, and a list of supplier categories used by each relevant service. Ask what the vendor’s provenance records actually cover. A model card can describe risks without independently verifying each ingestion decision. If an enterprise deploys an upstream base model, contract claims should distinguish that model’s inputs from fine-tuning and retrieval the buyer controls. [15]

Test jargon with concrete examples. Does a “no training on customer data” provision include prompts, uploads, error logs, fine-tuning activity, human review and safety exceptions? Does it cover subprocessors? Can customer material be retained for abuse detection? What is deleted, when, and what evidence is available? Ask these separately.

Evaluate remedies before purchase

Tie evidence requests to practical contract clauses: audit or independent-assurance rights, prompt data separation, notice of material model changes, permitted reuse, response to source complaints, security, indemnification and its exclusions, and termination or fallback pathways. Do not assume a broad assurance statement pays for a production halt or resolves unauthorized retained copies.

Where counsel and a vendor cannot disclose sensitive inputs, agree on who can attest to the record and what the attestation does not cover. Evidence can be reviewed safely through a restricted process rather than publishing a proprietary corpus. A fix to a current endpoint does not necessarily remediate older versions, managed integrations or customer-managed copies.

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IMPLEMENTATION AND RECOMMENDATIONS

A structured creator evidence packet

FIELD NOTE

The packet separates proof of the work from inferences about how a system produced a result.

What to preserve

Identify the work, edition, publication and author or rights holder. Preserve timestamped copies of the original and any relevant licenses. For a disputed output, record the page or product, date and time, visible model version, prompt where safe, output, links or citations displayed, and whether the system used uploaded documents or retrieval. Do not publish another party's protected material merely to document the complaint.

Label claims precisely: confirmed copy, matched excerpt, suspicious output, alleged collection, unknown route or documented licensing transaction. Absence of clear matches is not proof that the work was absent from a dataset. Try to preserve reproducible evidence using ordinary authorized access; do not bypass restrictions or expose personal records. [6] [12]

What to request

Request identification of the relevant source, review of the specific use, and correction or disposition supported by evidence. Make clear whether the concern is future ingestion, retained copies, citation, public display, compensation or another issue. Keep correspondence and dates in a consistent record. Escalate contractual or statutory decisions to qualified counsel.

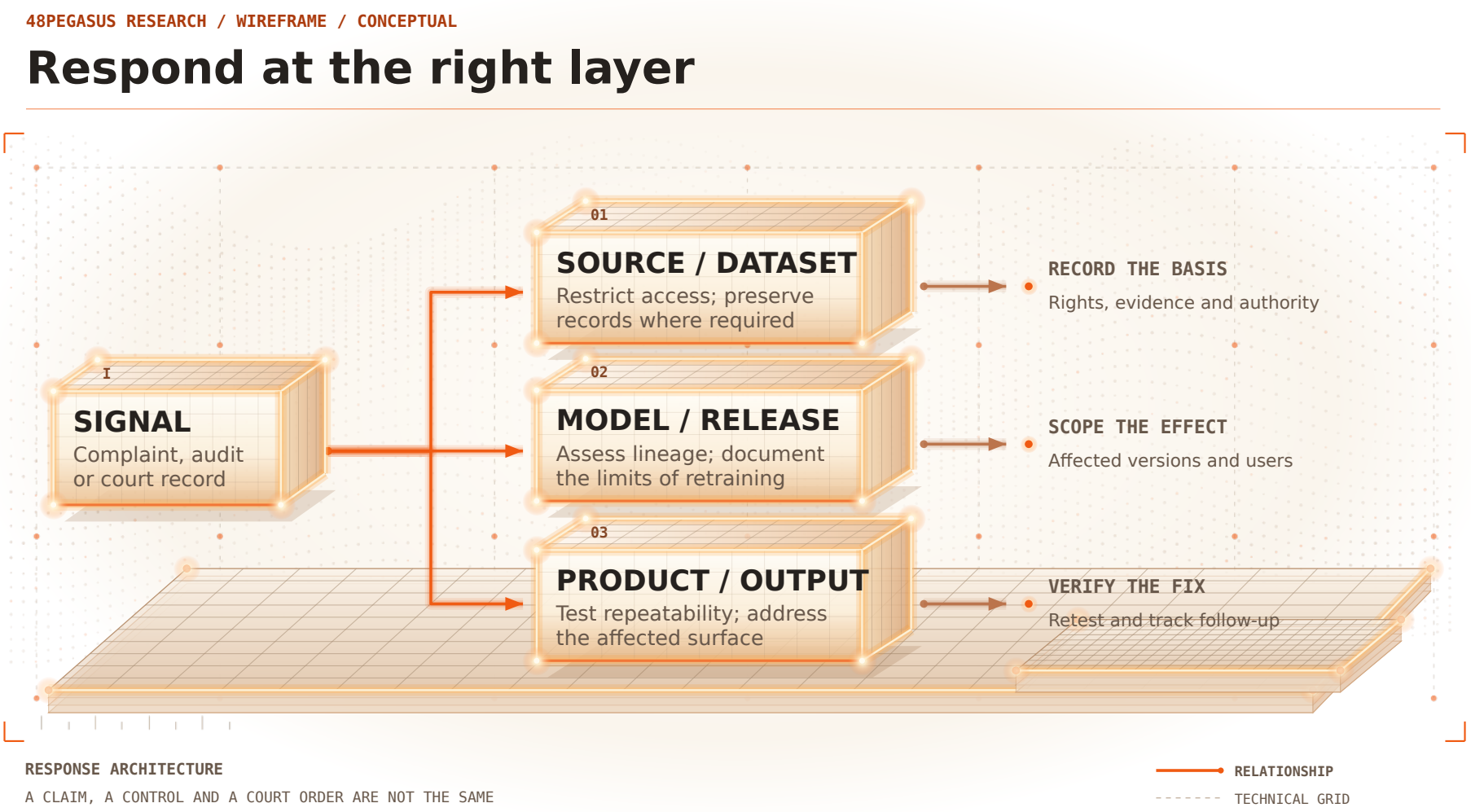
Platforms should provide an accessible response route and indicate what their response actually determines. Acknowledging a report is not proving corpus membership. Removing a document from a live index is not a statement that no earlier model was exposed to it. Closing the matter should require a narrow verified disposition, not a generic denial.

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VISUAL EVIDENCE

Exhibit 10 Respond at the right layer



A complaint or finding may implicate dataset access, the model release or the output. Scope the affected layer and verify corrective action while observing any preservation duties. The diagram does not prescribe a remedy.

48PEGASUS Research conceptual exhibit. Not empirical data.

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IMPLEMENTATION AND RECOMMENDATIONS

Negotiating the agreement by use

FIELD NOTE

License rights in modules: copy, train, retrieve, display, retain, sublicense and distribute.

Map each grant to a mechanism

For collection and preparation, define sources, editions, versions, delivery, updates, caching, security, metadata and allowed transformations. For training, identify the covered model families, environments, permitted partners, fine-tuning or evaluation, and whether derivative systems are within scope. For retrieval, specify access controls, answer-time excerpt terms, protected sources, attribution and links. For distribution, distinguish API access from downloadable or transferred models. [6]

Define the accounting unit before setting money terms: title, contributor, asset, interaction, subscription, compute band or aggregate payment. Avoid assuming one public agreement supports pricing a different combination of rights and performance obligations.

Make renewal and withdrawal work

Set a term and clarify what happens after termination. A party can stop new collection quickly and still need time to unwind backups, indices or previously trained versions. Decide whether existing deployments can continue, what components must be retired, who can audit, and what time-bound proof is required. Treat statutory rights and contractual commitments separately; a private agreement does not settle questions for the rest of the market.

Rights-holder controls have a tradeoff: greater specificity supports consent and compensation but increases verification and integration cost. Developer simplicity has the opposite tradeoff: a blanket grant lowers transaction costs but can conceal rights the grantor did not hold. Structure scope and audit support so both sides can detect the mismatch rather than discovering it during litigation.

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IMPLEMENTATION AND RECOMMENDATIONS

A ninety-day implementation sequence

FIELD NOTE

Proposed schedule for a typical program, not a statutory deadline or universal target.

Days 1 to 45: make the scope visible

In the first two weeks, appoint owners for source management, model release, retrieval, legal review and incident response. Inventory active models, major source families and contractual obligations. Prioritize public endpoints with the greatest overlap with protected, economically meaningful source material. Create a queue for ambiguous material and test that hold status actually blocks ingestion.

During weeks three to six, select a small high-risk source sample and connect it to snapshots and deployed versions. Examine whether source records preserve account, timing, permission, exclusions and downstream copies. Introduce an append-only disposition log. Reconcile one subset with a rights-holder restriction and validate propagation to curators, training manifests and retrieval indexes. [15]

Days 46 to 90: require proof

Run paired tests with retrieval on and off; preserve only the authorized evidence needed for investigation. Set product thresholds as internal gates, not as legal guarantees. Run a withdrawal tabletop: define what remains in backups, whether deployment is affected, and who needs to approve any time-limited exception. Record the results before approving broader training.

At day ninety, present what was tested, known exceptions, any unknown denominator, and what cannot currently be verified. Assign a revisit date and owner to each gap. If a third-party component cannot meet minimum evidence requirements, narrow its scope or adopt a fallback rather than merely documenting a risk that the organization cannot act on.

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IMPLEMENTATION AND RECOMMENDATIONS

What to measure without misleading the board

FIELD NOTE

Include the unit, eligibility denominator, sample date, exclusions, version and accountable owner.

Program metrics

Report documented scope decisions per eligible active items or batches. Explain what qualifies as documented and count unresolved decisions separately. Add coverage by source category; an average dominated by easy catalog assets can hide unknown coverage among scraped material. Report reproducible model lineage as the share of sampled deployed versions for which source snapshots and permissions can be reconstructed. Label the sampling strategy and avoid treating a convenience sample as population coverage.

Measure withdrawal completion by available evidence, not by ticket closure. Track affected copies discovered, successfully removed, legally retained, outside direct control, and unresolved. Old backups and checkpoints should be counted in scope or expressly excluded. [15]

Outcome and balancing metrics

Track expression-match results alongside utility and referral outcomes. Define the exact match criterion, similarity metric, the access/retrieval condition, and the false-positive review process. Hiding all excerpts can reduce measured matches while destroying product value; maximizing citations can still leave answers that substitute for the source. Report paired results and sample the highest-impact classes.

Use a joined dashboard, not a single green score. Suggested panels are rights evidence, unresolved exceptions, model release coverage, output evaluation, complaint handling and scope changes since the last review. Jurisdiction-specific legal thresholds, where relevant, belong in the underlying review record, not in a global engineering percentage.

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IMPLEMENTATION AND RECOMMENDATIONS

Conclusions and recommendations

FIELD NOTE

Better records do not settle the law. They make real controls and precise arguments possible.

For builders and buyers

Separate each material act from the product label. Record source and authority at acquisition; bind permissions to actual use; trace copies into runs and retrieval systems; test high-risk output pathways; and preserve a route for review. If the source or scope cannot be established, classify the gap before adding exposure. Enterprise contracts should name the base model, authorized data use, retention, model change notice and executable resolution options. [6] [15]

The viability of an internal research feature does not prove the viability of a public answer engine. Evaluate collection, output and the relevant market independently. Preserve prompts and reproductions only as necessary and authorized. Do not treat a low measured match rate as proof of no liability or harm.

For creators and policymakers

Test whether a permission mechanism travels with the work and can survive catalog aggregation. Develop clearance paths that include smaller rights holders instead of assuming publisher deals answer every question. Ensure contestability: accessible complaints, verifiable responses, and clear treatment of model or index changes. Seek marketplace evidence by source type and use instead of drawing universal rates from headline settlements. [9] [6]

Review this paper as evidence-date dependent. New appellate holdings, case-specific remedies, rights reservation systems and confidential licensing cannot be anticipated from public information alone. A sound policy can preserve qualified research and useful product development while making acquisition and output decisions accountable and subject to meaningful review.

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WORKED CASES AND FIELD TOOLS

Worked case: subscription news and an internal assistant

FIELD TOOL

An agreement to read is not proof of rights to index or distribute.

STATUS

Illustrative. Not a legal conclusion.

Facts to establish

An enterprise wants to answer employee questions from a subscribed trade publication. A procurement invoice proves access by an authorized account, not permission to crawl the full archive or re-serve articles to other users. Identify the service terms, intended readers, authentication model, and retention of stored text. Examine if the publisher offers an explicit enterprise retrieval use and who can authorize it. [2] [6]

Separate the proposed index from the external base model. Confirm content is not used to update the provider’s weights or retained under an unrelated evaluation program unless specifically approved.

Compare three routes

Compare licensed full retrieval, a separately authorized title-and-link index, and an opt-in corpus of first-party notes. Measure citation validity, open-source click behavior, retrieval precision and answer usefulness without treating any of these as legal approval. Scope audiences and cache retention. Ensure a revoked subscription or account stops access in practice.

The release record should preserve the agreement version, retrieval route, entitlement test, answer and citation rules, evidence access policy and kill switch owner. If the provider cannot prevent unauthorized full-text access, do not launch the full-text route.

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WORKED CASES AND FIELD TOOLS

Worked case: fine-tuning on a commissioned archive

FIELD TOOL

Ownership of a physical deliverable is distinct from ownership of its copyright.

STATUS

Illustrative. Not a legal conclusion.

Reconcile the archive

A studio plans to fine-tune an image system on work commissioned from several independent illustrators. The files are in its storage, but the original agreements varied. Some authorize publication in one campaign; some specify broader rights; some use subcontractors or incorporate licensed stock. Determine who can grant training rights and whether the requested method and products are covered. [2] [12]

Build a source manifest of authorship, agreement version, incorporation of third-party components, rights status and intended uses. Restrict the archive subset by verified grant rather than relying on a brand-wide ownership claim.

Validate before release

Compare licensed examples to an alternative that learns from internal design descriptions rather than pixel-level assets. Define a prospective register for new commissioned work with separately negotiated permissions, attribution and withdrawal terms. Provide a complaint pathway that preserves documentary evidence without broadly sharing protected images.

Test whether the deployed system reproduces identifiable compositions, logos, watermarks or signature assets using reviewed, authorized examples. Document licensing scope and model version on the release record. A passing evaluation does not expand the underlying grant; a similar or derivative-looking result must be assessed in context.

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WORKED CASES AND FIELD TOOLS

Worked case: licensed corpora and a public sector archive

FIELD TOOL

Open access, public domain and permission are distinct categories.

STATUS

Illustrative. Not a legal conclusion.

Isolate scope before making claims

A research lab wants to combine scientific papers from many publishers with a public agency archive. Treat license claims at article and component level: embedded photographs, contributor commentary and data tables can have separate terms. Identify territorial and institutional exceptions with qualified review. Avoid declaring all materials placed on a government domain to be in the public domain. [2] [12] [14]

Include repository identifiers, license version, version of record, collection date, and any withdrawal or correction signals. Maintain provenance for superseded records, but prevent withdrawal evidence from becoming a second usable training library.

Plan for a change of purpose

An academic project may later propose a commercial product. At that moment, re-check lawful access, allowed research purpose, permitted text and data mining, and existing distribution terms. Do not assume the pilot’s rationale survives transfer to a commercial affiliate. Consider rebuilding from the subset with confirmed commercial permissions or selecting a different scope.

Publish a catalog summary that clearly describes scope, exclusions and limitations without disclosing protected work or personal data. If both technical and licensing evidence are incomplete, state what remains unknown rather than claiming the combined corpus is fully cleared.

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WORKED CASES AND FIELD TOOLS

Worked case: a music model receives a complaint

FIELD TOOL

Consent for a recording, consent for a composition, and permission to impersonate a person can diverge.

STATUS

Illustrative. Not a legal conclusion.

Identify the challenged material

A user flags a generated clip that seems similar to a supplied reference song. Record the model build, whether retrieval or an uploaded recording was used, and the source of both examples. Identify whether the complaint involves the melody, lyrics, master, performance identity, or several issues. Reviewers should not treat sonic similarity as proof of the training set’s membership. [2] [6] [8]

Keep the submitted clips and associated logs in an appropriately restricted evidence store. Enforce access and retention rules, including any preservation requirement, before destroying material or exposing it to additional systems.

Match the response to the layer

An unauthorized recording in a training staging area calls for source review and a disposition covering relevant copies. A public response issue may call for changes to expression limits, input use, routing, or publication. A grant that does not cover the composition cannot be repaired by pointing to a license for the master. Where the remedy depends on facts not available, record the dependency and limit comparable exposures pending evaluation.

State what was actually verified and who is responsible for unresolved work. Never promise that a checkpoint was retrained or an objection resolved if only a live index or product rule was modified.

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WORKED CASES AND FIELD TOOLS

A release evidence sheet

FIELD TOOL

Use one sheet per material release, not one per vendor.

STATUS

Illustrative. Not a legal conclusion.

Record identifiers and evidence

Write the model and endpoint ID, base model provenance description, training snapshot and reviewed scope, retrieval route and source groups, deployment countries, users, attached rights decisions, exception owners, product tests and dates, and the current consumer interface. Place evidence pointers near each conclusion; do not attach sensitive raw rights records to a public model card. [15]

Distinguish values seen by an internal reviewer, attested by an upstream supplier, sampled, and unknown. Include quantity and denominator when claiming coverage. Mark third-party data you cannot inspect and assign a permitted fallback for each materially unverified use.

Document the decision and conditions

Approval should expire or require review when training scope, provider, output channel or geography materially changes. Note who had authority to approve, who independently checked the evidence, whether technical controls were demonstrated, and which exceptions are temporary. Where denial or partial approval applies, test that the blocked actions are actually blocked.

Set the time and conditions for a rollback, including which checkpoint, retrieval index or UI revision would be restored. Define evidence to verify that rollback succeeded across customer-facing endpoints and cached results. A release summary is a point-in-time record, not a license or blanket assurance.

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WORKED CASES AND FIELD TOOLS

A claim and docket watch worksheet

FIELD TOOL

Record dates for filings and decisions independently.

STATUS

Illustrative. Not a legal conclusion.

Classify each entry

Record the docket, proceeding, named claimant, defendant, forum, disputed work or material, disputed act, relief sought, document number, filing date, and the document type. Also record the posture the entry actually changes: pleading, transfer, discovery, interlocutory ruling, merits judgment, appeal, negotiated settlement or administrator update. Work covered by a release may differ from work included in a modeled claim count. [13] [9]

Cite the original record, not just the most accessible commentary. For a major holding, quote only what is necessary to avoid misstatement, and preserve a plain-language description of remaining claims.

Interpret events conservatively

For an appeal, record the underlying order, questions presented, court and current verified stage. Oral argument is not final disposition. An amicus brief is advocacy even if filed by a public authority. A procedural deadline is not a ruling and can move. Avoid treating silence after an expected date as proof nothing happened.

For settlement monitoring, separate approval, effective date, funding, allocation, distribution and potential appeals or objections. Record who supplied each fact and which date it reflects. Update downstream summaries only after the changed document is reviewed, keeping the prior entry and correction history.

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WORKED CASES AND FIELD TOOLS

Governance tradeoffs that should remain visible

FIELD TOOL

Uncertainty is a decision input, not a score to be hidden.

STATUS

Illustrative. Not a legal conclusion.

Weigh the operating alternatives

A manually cleared corpus provides stronger records but can become narrow, expensive and unevenly representative. Large licensed collections reduce individual negotiation costs but can conceal split rights. A public-domain-focused collection can still require verification of editions and reused illustrations. Independently review the provenance assertions behind every route, rather than assuming any label resolves rights. [6] [14]

A retrieval-only architecture can avoid updating weights with an archive, but indexing and output can still create significant exposure. A hosted service can outsource operational complexity without turning every copyright duty into the vendor’s duty.

Compare evidence, value and reversibility

Evaluate each route on expected product value, verified scope, effort to enforce it, observability, reversibility, and impact on creators and users. Ask who benefits and who bears the cost if a permission is wrong. Avoid monetizing a worst-case damages number as if it were a probability-weighted liability. [3]

Start with the narrowest route that serves the real use case. Expand after targeted evidence, not merely because technical capacity exists. Preserve low-cost fallbacks: reduce scope, switch to an entitled link, remove an unsafe excerpt path, disallow an unsupported model version or obtain the required rights.

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WORKED CASES AND FIELD TOOLS

From public summaries to verifiable transparency

FIELD TOOL

A useful summary tells readers what was measured and what remains inaccessible.

STATUS

Illustrative. Not a legal conclusion.

Publish a scoped statement

Describe purposes, source categories, languages or territories where known, and policy version using a consistent public structure. State which parts of the stack are covered: base model, internal fine-tuning, retrieval, evaluation or customer-managed data. List date ranges or inclusion criteria when they can be reported without violating privacy, confidentiality or access rights. [15] [6]

Avoid broad terms such as clean, entirely licensed or fully compliant unless the evidence and review scope support them. Supply material uncertainties and note whether assertions are internal, supplier-provided, independently tested or proved only on a sample.

Keep a way to correct the record

Publish a stable corrections channel. Maintain a method to connect a rights-holder query to internal identifiers without publicly exposing copies. Preserve updated disclosures and a short change log. Give readers who see older reports a way to identify which model version and date the disclosures described.

Where applicable, fulfill formal disclosure rules separately; a well-designed public summary does not satisfy every jurisdiction’s obligations. In purchases, require both an accessible summary and a bounded process for obtaining stronger assurance about consequential issues under controlled access.

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[1] U.S. Congress · 17 U.S.C. §107: Fair use

[2] U.S. Congress · 17 U.S.C. §§102 and 106: Scope and exclusive rights

[3] U.S. Congress · 17 U.S.C. §§411–412, 501–505 and 1202: Procedure and remedies

[4] Supreme Court of the United States · [redacted] v. [redacted], 598 U.S. 508 (2023)

[5] Supreme Court of the United States · [redacted] v. [redacted], 593 U.S. 1 (2021)

[6] U.S. Copyright Office · Copyright and Artificial Intelligence, Part 3: Generative AI Training (May 2025 pre-publication)

[7] U.S. Copyright Office · AI study: more than 10,000 comments received by December 2023

[8] U.S. Copyright Office · Copyright and Artificial Intelligence, Part 2: Copyrightability (2025)

[9] U.S. District Court, N.D. California · [redacted] v. [redacted], ECF 680, final approval order, July 20, 2026

[10] [redacted] settlement administrator · Current status and payments, consulted November 19, 2026

[11] U.S. District Court, N.D. California · [redacted] v. [redacted], ECF 231, partial summary judgment

[12] U.S. Copyright Office · Circular 1: Copyright Basics

[13] U.S. Courts · Federal rules of civil procedure

[14] Creative Commons · About CC licenses

[15] NIST · AI 600-1: Artificial Intelligence Risk Management Framework: Generative AI Profile

[16] N.D. California · [redacted] v. [redacted], No. 24-cv-05417, ECF 231, order on fair use (June 23, 2025)

[17] N.D. California · [redacted], ECF 680, final class settlement approval and judgment (July 20, 2026)

[18] [redacted] · [redacted] v. [redacted] official settlement administration website and payment status

[19] [redacted] parties and counsel · [redacted], ECF 688, status report (September 2, 2026)

[20] N.D. California · [redacted] v. [redacted], No. 23-cv-03417, ECF 598, partial summary judgment (June 25, 2025)

[21] N.D. California · [redacted], ECF 601, partial summary judgment on DMCA claim (June 27, 2025)

[22] N.D. California · [redacted], ECF 700, leave to amend and class discovery (March 25, 2026)

[23] U.S. Judicial Panel on Multidistrict Litigation · In re [redacted], MDL 3143, transfer order, ECF 85 (April 3, 2025)

[24] S.D. New York · [redacted] v. [redacted] and [redacted], No. 23-cv-11195, ECF 514, motion to dismiss opinion (April 4, 2025)

[25] S.D. New York · [redacted], ECF 1449, order on amendment and contributory infringement (August 6, 2026)

[26] [redacted] · Form 10-Q, period ending September 30, 2026; litigation disclosure

[27] S.D. New York · In re [redacted], News Cases, November 12, 2026 scheduling order; [redacted] ECF 1848

[28] U.S. Department of Justice · Statement of Interest, In re [redacted], MDL ECF 1682 (September 1, 2026)

[29] U.S. Court of Appeals for the Third Circuit · [redacted] v. [redacted] [redacted], No. 25-2153, ECF 214 (September 30, 2026 docket stamp)

[30] [redacted] · Petition for panel or en banc rehearing, Third Circuit No. 25-2153, ECF 225 (November 3, 2026)

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[31] [*REDACTED*] **et al.** · Class action complaint against [*REDACTED*] and [*REDACTED*] [*REDACTED*], S.D.N.Y. No. 26-cv-03689, ECF 1 (May 5, 2026)

[32] N.D. California case docket · [*REDACTED*] v. [*REDACTED*], No. 4:26-cv-11415, docket following transfer

[33] [*REDACTED*] · Final IPO prospectus, SEC Form 424B4 (filed November 19, 2026), litigation and settlement accounting

[34] S.D. New York · [*REDACTED*] v. [*REDACTED*], No. 26-cv-06966, ECF 23, stay order (September 16, 2026)

[35] Settlement Administrator · [*REDACTED*] v. [*REDACTED*]: court-authorized settlement site and approval update

[36] Settlement Administrator · [*REDACTED*] settlement: eligibility, funding, allocation and release FAQ

[37] U.S. District Court, N.D. California · [*REDACTED*] v. [*REDACTED*], Dkt. 680, final settlement approval and judgment, July 20, 2026

[38] [*REDACTED*] · [*REDACTED*]: settlement information for authors, November 16, 2026 update

[39] [*REDACTED*] · AI model clauses and subsidiary rights framework, April 29, 2026

[40] [*REDACTED*] · [*REDACTED*] AI licensing offer, November 19, 2024

[41] [*REDACTED*] · [*REDACTED*] announcement coverage of its [*REDACTED*] license, July 13, 2023

[42] [*REDACTED*] · [*REDACTED*] global partnership announcement, May 22, 2024

[43] [*REDACTED*] · [*REDACTED*] content and licensing partnership announcement, April 29, 2024

[44] U.S. Copyright Office · Copyright and Artificial Intelligence, Part 3: Generative AI Training (pre-publication)

[45] U.S. Copyright Office · Circular 56A: Copyright Registration of Musical Compositions and Sound Recordings

[46] Record label plaintiffs · Complaint, [*REDACTED*] Recordings et al. v. [*REDACTED*] [*REDACTED*] ([*REDACTED*]), June 24, 2024

[47] [*REDACTED*] **and** [*REDACTED*] · Settlement and strategic license announcement, October 29, 2025

[48] [*REDACTED*] **and** [*REDACTED*] · Settlement and licensed platform announcement, November 19, 2025

[49] [*REDACTED*] **and** [*REDACTED*] · Settlement and partnership announcement, November 25, 2025

[50] [*REDACTED*], **Inc.** · Answer in [*REDACTED*] Recordings et al. v. [*REDACTED*], No. 1:26-cv-14275, Dkt. 11, October 20, 2026

[51] Record label plaintiffs · Opposition to [*REDACTED*] motion to stay, No. 1:26-cv-14275, November 2026

[52] [*REDACTED*] · Registration materials: intellectual property and pending disputes, November 2026

[53] High Court, England and Wales · [*REDACTED*] v. [*REDACTED*], [2025] EWHC 2863 (Ch), November 4, 2025

[54] [*REDACTED*] **appellants** · Replacement appeal skeleton, CA-2026-000007, October 2026

[55] [*REDACTED*] **respondent** · Replacement respondent skeleton, CA-2026-000007

[56] [*REDACTED*] · Form 10-Q, quarter ended September 30, 2026: litigation contingencies

[57] U.S. District Court, N.D. California · [*REDACTED*] v. [*REDACTED*], order on motion to dismiss, April 23, 2026

[58] U.S. District Court, N.D. California · [*REDACTED*] v. [*REDACTED*]: June 2026 discovery scheduling record

[59] [*REDACTED*] · [*REDACTED*] contributor FAQ, September 2026

[60] [*REDACTED*] · [*REDACTED*] commercial use: [*REDACTED*] and partner model distinctions

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[61] U.S. Court of Appeals, Third Circuit · [redacted] v. [redacted], 25-2153, September 29, 2026

[62] U.S. Court of Appeals, Ninth Circuit · [redacted] v. [redacted], 24-7700, September 16, 2026

[63] [redacted] Docs · Finding public code that matches [redacted] suggestions

[64] U.S. Copyright Office · Title 17, chapter 1, §§ 106–107

[65] U.S. Copyright Office · Copyright and Artificial Intelligence, Part 3: Generative AI Training (pre-publication, May 2025)

[66] WIPO · Berne Convention, Articles 5 and 9

[67] European Union · Rome II Regulation (EC) No 864/2007, Article 8

[68] European Union · Directive (EU) 2019/790 on Copyright in the Digital Single Market, Articles 2–4, 7 and 15

[69] European Union · AI Act, Regulation (EU) 2024/1689, Article 53, Article 111 and Recital 106

[70] European Commission · Guidelines for providers of general-purpose AI models and enforcement timeline

[71] European Commission · Template for GPAI providers to summarise training content, FAQ

[72] European Commission · General-Purpose AI Code of Practice

[73] European Commission · Stakeholder consultation on AI and copyright compliance

[74] European Commission · Feasibility study for EU-level registry of text and data mining opt-outs

[75] European Commission · Targeted copyright consultation, September 29, 2026

[76] Federal Ministry of Justice, Germany · Act on Copyright and Related Rights (UrhG), §§ 44b and 60d

[77] EU Intellectual Property Office · Hamburg Regional Court, [redacted] v. [redacted], 310 O 227/23 (September 27, 2024)

[78] Federal Court of Justice, Germany · [redacted] appeal listing, I ZR 281/25 (pronouncement scheduled December 17, 2026)

[79] [redacted] · [redacted] counsel's first-party statements on the Hamburg and Federal Court proceedings

[80] Munich I Regional Court · Judgment announcement: [redacted] v. [redacted], 42 O 14139/24 (November 11, 2025)

[81] Munich I Regional Court · Judgment announcement: [redacted] v. [redacted], 42 O 763/25 (July 31, 2026)

[82] Court of Justice of the European Union · Advocate General Opinion, [redacted] v. [redacted], C-250/25, ECLI:EU:C:2026:919 (November 3, 2026)

[83] UK Parliament · Copyright, Designs and Patents Act 1988, section 29A

[84] UK Department for Science, Innovation and Technology et al. · Report on Copyright and Artificial Intelligence (March 18, 2026)

[85] UK House of Lords · Daily Report of Written Answers and Statements (November 9, 2026), p. 14

[86] [redacted], AI Champion for the Creative Industries · Independent AI Adoption Plan: Creative Industries (corrected November 16, 2026)

[87] High Court of England and Wales · [redacted] v. [redacted], [2025] EWHC 2863 (Ch), notably paras. 567–609

[88] [redacted], appellants · Replacement appeal skeleton, CA-2026-000007, filed October 21, 2026 (party submission)

[89] [redacted], respondent · Replacement appeal skeleton, CA-2026-000007 (party submission)

[90] Japanese Ministry of Justice, Japanese Law Translation · Copyright Act, Article 30-4 (English reference translation)

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[91] Japan Agency for Cultural Affairs · General Understanding on AI and Copyright in Japan, English overview (May 2024)

[92] Japan Agency for Cultural Affairs · AI and copyright guidance and stakeholder materials

[93] Singapore Attorney-General's Chambers · Copyright Act 2021, §§ 187 and 243–244

[94] Intellectual Property Office of Singapore · Copyright Act 2021 factsheet, p. 13

[95] European Union · General Data Protection Regulation, notably Articles 6, 9 and 44–49

[96] European Data Protection Board · Opinion 28/2024 on AI models, anonymity and lawful processing

[97] European Data Protection Board · Guidelines 03/2026 on web scraping in the context of generative AI, consultation materials

[98] U.S. Copyright Office · Copyright and Artificial Intelligence, Part 3: Generative AI Training (pre-publication edition)

[99] National Institute of Standards and Technology · Artificial Intelligence Risk Management Framework: Generative Artificial Intelligence Profile (AI 600-1)

[100] [redacted] et al. · Datasheets for Datasets (Communications of the ACM)

[101] Mitchell et al. · Model Cards for Model Reporting (FAT*)

[102] World Wide Web Consortium · PROV-DM: The PROV Data Model

[103] World Wide Web Consortium · ODRL Information Model 2.2

[104] Internet Engineering Task Force · RFC 9309: Robots Exclusion Protocol

[105] [redacted] et al. · Deduplicating Training Data Makes Language Models Better (ACL)

[106] [redacted] et al. · Quantifying Memorization Across Neural Language Models

[107] [redacted] et al. · Extracting Training Data from Large Language Models (USENIX Security)

[108] [redacted] et al. · Extractable Memorization From First Principles (preprint)

[109] [redacted] et al. · Machine Unlearning (IEEE Symposium on Security and Privacy)

[110] National Institute of Standards and Technology · Guidelines for Media Sanitization (SP 800-88 Rev. 2)

[111] [redacted] et al. · Retrieval-Augmented Generation for Knowledge-Intensive NLP Tasks (NeurIPS)

[112] Coalition for Content Provenance and Authenticity · C2PA Technical Specification 1.0: validation and scope

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Jonathan G. Browning

Jonathan G. Browning is the Founder & CEO of 48PEGASUS and a co-author of this paper. His professional background includes strategy and operations leadership in energy and real estate, with experience designing business workflows, implementing CRM and reporting systems, and assessing how AI and automation fit operational decisions.

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PUBLICATION

AI disclosure and reader guide

TRANSPARENCY

No model fine-tuning was performed.

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