

# Global watch on culture and digital trade

## **TRADE ALLIANCES AND ARTIFICIAL INTELLIGENCE: CULTURAL GOVERNANCE AT THE CROSSROADS OF TECHNOLOGICAL TRANSFORMATIONS**

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**Analytical report, November 2023**

The November report begins with the establishment of the trade group Streaming Innovation Alliance, which brings together major streaming platforms in the United States to influence policymakers and public authorities for policies and measures that benefit the streaming industry. The report also deals with the discussions on the bipartisan No-Fakes Act, aiming to protect actors, singers, and other performers from Artificial Intelligence (AI) generated replicas. In addition, the report highlights two lawsuits, dealing with copyright infringement and the use of AI in the music and book industries. Moreover, the report emphasizes new partnerships and business plans, focusing on Amazon, Netflix, and on eight European public broadcasters, which started partnering together to compete big US-based online streamers. Finally, the report turns to the struggle for subscribers and geographical expansion among streaming services, with those of Netflix and Max.




## Regulation issues, digital trade and culture

### **Creation of the Streaming Innovation Alliance Lobbying Group**

A new trade group – the Streaming Innovation Alliance (SIA) – has been established in the United States, bringing together Netflix, Disney, HBO Max, TelevisaUnivision, Paramount+, and other players to promote their interests toward policymakers and public authorities and to advocate for federal and state policies that benefit the streaming industry. As Variety mentioned, “it’s the first time competing streaming video providers have banded together in a unified lobbying front”. Charles Rivkin, chairman of the Motion Picture Association (MPA), played a leading role in establishing the SIA. The launch member of the alliance are: AfroLandTV, America Nu Network, BET+, Discovery+, For Us By Us Network, Max, the MPA, MotorTrend+, Netflix, Paramount+, Peacock, PlutoTV, Telemundo, TelevisaUnivision, Vix, Vault, and the Walt Disney Co. Former Republican Congressman Fred Upton and former Democratic acting Federal Communications Commission chair Mignon Clyburn are the senior advisers for the coalition. Clyburn stressed that “streaming services have opened up a new era of progress for program diversity that is bringing relevant stories and options to historically underserved communities [...] any policy that drags down streaming would turn back the clock on this vital progress as well”. It is worth noting that Netflix, Disney, Warner Bros Discovery – owner of Max and Discovery+, and Paramount – owner of Paramount+, are also members of the MPA. Instead, Amazon and Apple, which operate two major streaming services, Prime Video and Apple TV+, respectively, have not yet participated as members at the MPA and/or at the SIA.

### **Discussions on No-Fakes Act**

According to Deadline, mid-October, four US senators announced a discussion draft bill “aimed at protecting actors, singers and others from having their voice and likeness generated by artificial intelligence (AI)”. The bipartisan Nurture Originals, Foster Art, and Keep Entertainment Safe Act or NO FAKES Act, would standardize rules around using a person’s faces, names and voices and “would hold people, companies and platforms liable for producing or hosting such digital replicas”.




As such, according to the [announcement](#), the NO FAKES [Act](#) would “prevent a person from producing or distributing an unauthorized AI-generated replica of an individual to perform in an audiovisual or sound recording without the consent of the individual being replicated. The person creating or sharing the unauthorized replication would be liable for the damages caused by the AI-generated fake [...] Exclusions are provided for the representation of an individual in works that are protected by the First Amendment, such as sports broadcasts, documentaries, biographical works, or for purposes of comment, criticism, or parody, among others”. The four senators, who sponsored the draft bill, explicitly mentioned the song “Heart on my Sleeve”, which used AI-generated likenesses of the voices of pop stars Drake and The Weeknd, accumulated hundreds of thousands of listens on social media and streaming services within days, and was poised to appear on streaming charts before it was removed by streaming services.

### **Artificial intelligence and copyright infringement**

[Reuters](#) reported that mid-October a group of writers “has filed a lawsuit in New York federal court that accuses Meta, Microsoft and Bloomberg of using their creative work to train AI systems without permission”. The group of writers, including former Arkansas governor Mike Huckabee, stressed that the companies used the controversial online “[Books3](#)” dataset to “teach their AI systems how to respond to human prompts and to communicate information”. The called Books3 is one of 22 datasets that together make up a much larger dataset known as [the Pile](#), which was created by the non-profit AI research group EleutherAI to train generative language models, such as ChatGPT, LLaMa, and PaLM. The [dataset](#) was originally compiled by EleutherAI, a self-described grassroots collective of language processing researchers, to allow any developer to create generative-AI tools. As such, the large dataset “the Pile” was created as “a free, open-source data set for the training of AI systems”.

In fact, as [Vanity Fair](#) mentioned, the plaintext dataset Books3 is “a huge pirated collection of eBooks – approximately 197 000 nonfiction books and novels in all – published mostly within the past two decades, including titles by world-famous best-selling authors and spanning all genres, from erotic fiction to poetry”. Early October, thanks to a database published by [The Atlantic](#), authors can see “whether their books are being used to train these AI systems”. As [CNN](#) stated, a spokesperson for Bloomberg noted in a statement that the company had “used a number of different data sources” including Books3 to train its initial BloombergGPT model. But, according to the spokesperson, Bloomberg will “not include the Books3 dataset among the data sources used to train future commercial versions of BloombergGPT”.




In addition, Universal Music Group and two other major music publishers, Concord Publishing and ABKCO Music & Records, have filed a lawsuit against the new AI start-up Anthropic, accusing the latter of committing copyright infringement when training its AI chatbot, Claude. As [ArsTechnica](#) mentioned, the three companies allege that Anthropic “scrapes their songs without permission and uses them to generate identical or nearly identical copies of those lyrics via Claude, its rival to ChatGPT”. According to the [complaint](#), an AI technology “cannot reproduce, distribute and display someone else’s copyrighted works to build its own business unless it secures permission from the rightsholder. This foundational rule of copyright law dates all the way back to the [Statute of Anne](#) in 1710 and it has been applied time and time again to numerous infringing technological developments in the centuries since”. It is worth mentioning that Anthropic is an AI start-up founded in 2021 by a group of researchers who left Microsoft-backed OpenAI. It has drawn investments from Amazon and Google. According to [Variety](#), the publishers are seeking a jury trial and statutory damages of up to 150 000 USD per work infringed – with some 500 works listed, meaning at least 75 million USD. “The [lawsuit](#) is the first from a music publisher against an AI company over the use of lyrics”.

Finally, end September, the US Recording Academy, which presents the [Grammy Awards](#) annually, published new eligibility requirements for the 66th annual Grammy Awards. According to [CNBC](#), the guidelines focused on two key categories under which an AI-generated song might qualify for award consideration: “if there’s AI performing song, but there’s humans writing it, then it’s eligible for a writing category. If AI wrote the song but a human singer is singing the song, then it’s going to be eligible for a performance category”.

## **Worldwide activities of online platforms**

### **New partnerships and business plans**

According to [The Verge](#), Amazon has announced “plans to start placing advertisements in TV shows and movies running on the streaming service Prime Video”. [Amazon](#) said the key goal of including ads is to allow the e-commerce company to “continue investing in compelling content”. Instead, customers can opt to pay 2.99 USD extra for ad-free Prime Video. The ads will first be introduced on Prime Video in the US, UK, Germany, and Canada. “With the move, [Prime Video](#) will join the initiatives from Netflix, Disney+ and Max in bringing commercials into their formerly ad-free streaming environments”.



According to [TechCrunch](#), “Netflix is beginning to test its cloud gaming service in the US after initially launching limited trials in Canada and in the UK”. The [feature](#) will let play games streamed from the cloud on devices like your TV or a computer. From 2021 to today, Netflix has increased its game library from 24 to 77 games, whereas an estimated average of 2.2 million users played one or more of [Netflix’s](#) games per day. These numbers imply that less than 1% of Netflix’s 247.15 million subscribers play a game daily.

Eight European public broadcasters from northern and western Europe have started to collaborate to jointly commission high-end dramas and share their scripted series with one another. Trying to rival big US-based online streamers, the new co-production and broadcast collaboration called [New8](#) includes ZDF-Germany, NPO-The Netherlands, VRT-Belgium, SVT-Sweden, DR-Denmark, YLE-Finland, RUV-Iceland, and NRK-Norway. As [The Hollywood Reporter](#) stated, the goal of the partnership is to co-produce eight TV series annually from this year and ensuring broad distribution of projects”. The future series will broadly run in German speaking territories like Germany, Austria, and Switzerland; Dutch-speaking territories in the Netherlands and Flemish community-Belgium; and across Nordic TV markets in Denmark, Sweden, Finland, Iceland, and Norway.

Finally, German public broadcasters [ARD and ZDF](#) have formally rolled out their combined streaming platform, which allows users to watch content from both broadcasters on one streaming service.

### **Geographical expansion and struggle for subscribers**

Mid-October, Netflix reported third-quarter results that showed a new era of growth for the streamer. Boosted by a global password sharing crackdown and a new advertising-supported tier cheaper than the Netflix’s standard plan, the streaming company added nearly 9 million subscribers globally in the last quarter and saw a year-over-year increase in revenue despite strikes by [Hollywood](#) writers and actors. The total number of subscribers is 247.2 million worldwide. On the one hand, as [CNBC](#) mentioned, “that’s more than the company has added in any quarter since the second quarter of 2020, when Netflix gained 10 millions subscribers during the early days of the COVID pandemic and the quarter of strict COVID lockdowns around the world”. On the other hand, “[Netflix](#) is using the opportunity to raise the prices of some of its plans in the United States, the United Kingdom and France”.



Moreover, Warner Bros. Discovery (WBD) will launch its Max streaming service across 22 European countries starting in the spring 2024. As The Hollywood Reporter stressed, the initial European rollout will be across the Nordic and Iberian regions, as well as the Netherlands and Central and Eastern Europe. The second wave would include France and Belgium later in 2024, whereas “still missing are the UK, German and Italian markets”. Max’s European catalogue will also include live-streamed sports content via WBD’s Eurosport channel and the Paris Olympics next summer.

**Additional readings for the November report:**

- Les séries télévisées, des armes culturelles géopolitiques? *The Conversation*, 18 October 2023, [Link](#).
- Books 3 has revealed thousands of pirated Australian books. In the age of AI, is copyright law still fit for purpose? *The Conversation*, 29 September 2023, [Link](#).

## Indicative sources :

- Netflix, Disney, Max and more team to form Streaming Innovation Alliance lobbying group, *Variety*, 26 September 2023, [Link](#).
- Senate legislation would outlaw unauthorized AI-generated likeness; SAG-AFTRA lauds “No Fakes Act”, *Deadline*, 12 October 2023, [Link](#).
- Authors sue Meta, Microsoft, Bloomberg in latest AI copyright clash, *Reuters*, 18 October 2023, [Link](#).
- These 183 000 books are fueling the biggest fight in publishing and tech, *The Atlantic*, 25 September 2023, [Link](#).
- Universal Music sues AI start-up Anthropic for scraping song lyrics, *Arstechnica*, 19 October 2023, [Link](#).
- Grammy’s CEO: ‘we’re not going to award AI creativity’ unless it falls under these two categories, *CNBC*, 26 September 2023, [Link](#).
- Amazon is sticking ads in Prime Video shows and movies unless you pay more, *The Verge*, 22 September 2023, [Link](#).
- Netflix’s cloud gaming service begins tests in US, *TechCrunch*, 16 October 2023, [Link](#).
- To rival Netflix, 8 European broadcasters team to commission and share prestige TV dramas, *The Hollywood Reporter*, 10 October 2023, [Link](#).
- Netflix raises prices again after reporting strong subscriber growth, *TechCrunch*, 19 October 2023, [Link](#).

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