Written Submission from Kayla-Megan Burns

AI in the Creative Industries Evidence Session Source Documentation

Scottish Parliament – Economy and Fair Work Committee

Witness: Kayla-Megan Burns
Date: 19 November 2025

As committed during my testimony, please find below the source documentation for the statistics and reports referenced in my evidence to the committee.

PRIMARY SOURCES

1. AI-Generated Music Statistics

Deezer and Ipsos Study: "AI fools 97% of listeners"

Key Statistics Cited:

- 34% of songs uploaded daily to Deezer are AI-generated (50,000 tracks/day)
- 97% of listeners cannot reliably distinguish AI music from human-made music
- 55% of UK adults express discomfort with accidentally consuming AI-generated music
- 77% of UK adults believe unattributed AI compositions amount to theft or unjust use
- 80% agree AI-generated music should be clearly labelled
- 70% believe AI-generated music threatens musicians' livelihoods

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2. AI Revenue Impact Projections

CISAC and PMP Strategy Study on AI Impact

Key Statistics Cited:

- 24% of music creators' revenues at risk by 2028
- Approximately £8 billion cumulative losses across five years

- Escalating to over £3 billion annually by 2028

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3. RSNO Economic Impact

Royal Scottish National Orchestra Economic Impact Report 2025

Key Statistics Cited:

- £17.2 million Gross Value Added (GVA) for Scotland
- Supporting more than 300 jobs
- Supporting 500 freelancers
- £11.6 million in wellbeing benefits

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4. Music Artist Income Data (Pre-AI Era)

UK Government Report: "Music Creators' Earnings in the Digital

Era" Key Statistics:

- Median self-reported income for self-releasing artists: £12,944 (2019)
- 47% of artists earning less than £10,000 per year (2019)
- 37% reported earnings of £5,000 or less from music
- 62% earned £20,000 or less from music in 2019

UK Musicians' Census (2023)

- Average annual income from music: £20,700
- 43% earning less than £14,000 per year
- Conducted by Help Musicians and Musicians' Union
- Sample size: Nearly 6,000 musicians

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5. German Court Ruling

GEMA v. OpenAI - Munich Regional Court Decision

Key Findings Cited:

- German court found OpenAI's ChatGPT illegally harvested copyrighted song lyrics
- Affirmed online creative works are protected by copyright law
- Material cannot be freely used for AI training without permission
- Both memorization in language models AND reproduction in outputs constitute copyright infringement

- Responsibility lies with OpenAI as operator, not end-users

Plaintiff: GEMA (Society for Musical Performing and Mechanical Reproduction Rights) **Defendant:** OpenAI

Date: 11th November 2025

Court's Reasoning:

- Rejected text and data mining (TDM) exceptions under EU law
- Found that simple prompts led ChatGPT to reproduce substantial parts of lyrics verbatim
- Memorization within model parameters constitutes fixation under copyright law
- User prompts merely trigger internal processes; liability rests with model operator

Remedies Ordered:

- Injunctive relief (cease and desist)
- Damages payment (amount not disclosed publicly)
- Disclosure requirements

Significance:
First major European court decision directly addressing copyright infringement in AI training. Sets precedent potentially applicable across EU member states.

Sources:

Euronews: https://www.euronews.com/next/2025/11/11/openai-chatbots-cannot-use-song-lyricswithout-paying-german-court-rules-in-landmark-trial

Music Business Worldwide: https://www.musicbusinessworldwide.com/gema-wins-landmark-ruling-againstopenai-over-chatgpts-use-of-song-lyrics/

Bird & Bird Law Firm Analysis:
https://www.twobirds.com/en/insights/2025/landmark-ruling-of-the-munich-regionalcourt-(gema-v-openai)-on-copyright-and-ai-training

Norton Rose Fulbright Analysis:
https://www.insidetechlaw.com/blog/2025/11/germany-delivers-landmark-copyrightruling-against-openai-what-it-means-for-ai-and-ip

JUVE Patent (German Legal Publication): https://www.juve-patent.com/cases/open-ai-must-pay-gema-licence-fee-for-chatgpt/

Billboard:
https://www.billboard.com/pro/gema-ai-music-copyright-case-open-ai-chatgpt-songlyrics/

Slashdot: https://yro.slashdot.org/story/25/11/11/2124206/openai-used-song-lyrics-in-violationof-copyright-laws-german-court-says

Note: OpenAI has announced intention to appeal. Final judgment pending.

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6. Ireland's Basic Income for the Arts Scheme

Irish Arts Funding Programme

Statistics Cited:

- Supported more than 2,000 artists over three years
- Programme made permanent following demonstrated economic returns

    Programme Details:

- **Name:** Basic Income for the Arts Scheme
- **Country:** Ireland
- **Administering Body:** Arts Council of Ireland
- **Government Department:** Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media
- **Status:** Permanent following successful pilot

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7. Historical Context: Music Industry Disruption (1999-2009)

Napster and P2P File Sharing Impact

Key Historical Data:

- Global music revenues peaked at approximately $30 billion (1999)
- Declined to $16.5 billion by 2012
- First revenue increase since 1999 occurred in 2012
- US market specifically: $14.6 billion (1999) to $6.3 billion (2009)
- 60% drop in global music sales between 1999-2009 **Sources:**

International Federation of the Phonographic Industry (IFPI):

- Annual Digital Music Reports (1999-2013)
- Official website: https://www.ifpi.org/

TIME Magazine (2013):
"Revenue Up, Piracy Down: Has the Music Industry Finally Turned a Corner?"
https://business.time.com/2013/02/28/revenue-up-piracy-down-has-the-musicindustry-finally-turned-a-corner/

CNN Money (2010):
"Music's lost decade: Sales cut in half in 2000s"
https://money.cnn.com/2010/02/02/news/companies/napster_music_industry/

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8. Coalition for Content Provenance and Authenticity (C2PA)

Technical standard for tracking content ownership and provenance
Leadership: Adobe
Industry Support: Google, Apple, and others
Purpose: Enable tracking and attribution for AI-trained content

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9. Regulatory Framework References EU Digital Services Act

- European Union legislation requiring transparency in AI systems

- Official source: EUR-Lex (EU legislative database)

- Status: Coming into force **UK AI Transparency Proposals**

- Under consideration by UK Government

- Current issue: Requirements may be too vague for individual creators to identify if their work was used

- Recommendation in testimony: Binding requirements for searchable work-bywork registries

Singapore AI Regulatory Model

- Example of balancing regulation with innovation

- Focus: Building governance frameworks rather than competing to develop AI systems

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10. UK Creative Sector Economic Contribution Statistic Cited:

- UK creative sector contributes approximately **£124-125 billion per year** to the economy

- One of the country's largest export sectors

- Represents approximately **5.7% of UK GVA Sources:**

DCMS Economic Estimates GVA 2023 (Provisional)

House of Commons Library Briefing: "Creative Industries" (January 2025)

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11. **Economic Multiplier Effect - Local Creative Spending**

Statistic Cited:

- Every £1 spent locally in the creative industries can recirculate up to £5 within the Scottish economy **Primary Source:**

Arts Council England Research (cited in Scottish context)

- **Finding:** "£1 invested in the arts yields £5 of tax revenue"
- **Source:** Sceptical Scot article: http://sceptical.scot/2024/10/seven-steps-tosave-scotlands-creative-economy/
- **Quote:** "Arts Council of England research indicates that £1 invested in the arts yields £5 of tax revenue, suggesting an immediate impact of up to £500m within the first year [from £100m investment]" **Supporting Academic Research:**

"Do creative industries generate multiplier effects? Evidence from UK cities 19972018"

- **Authors:** Diana Gutierrez-Posada, Tasos Kitsos, Max Nathan, Massimiliano Nuccio
- **Institution:** Creative Industries Policy and Evidence Centre (PEC)
- **Finding:** Each creative job generates **at least 1.9 non-tradable jobs**
- **Mechanism:** Associated with creative business services employees' local spending

Scotland-Specific Context:

- Scotland's creative industries contribute **£5-5.7 billion** to Scottish economy annually
- Support **70,000-90,000 jobs** directly
- Scottish Government analysis shows creative industries support **around £9 billion of activity** within wider Scottish economy
- Source: Scottish Government Creative Industries Policy Statement (2019): https://www.gov.scot/news/strengthening-scotlands-creative-industries/

POLICY RECOMMENDATIONS FROM TESTIMONY

The following policy recommendations were presented during testimony as solutions to address AI's impact on creative industries:

1. Transparency and Identification Requirements Current Situation:

- EU requires AI companies to summarize training data by category
- UK considering similar approaches
- Neither system enables independent creators to identify whether their specific works were used

Recommendation: AI developers should be required to maintain searchable, work-bywork registries or, at minimum, provide audit access to creators who suspect their work was included in training data.

Rationale: Without the ability to identify specific usage, opt-out systems are ineffective and licensing becomes impossible for individual creators.

2. Centralized Licensing Infrastructure for Independent Creators

Current Situation:

- Major labels have negotiated licensing deals with AI companies (e.g., Suno-Sony, Udio-Universal)
- Independent creators have no equivalent mechanism

Recommendation: Establish a statutory requirement that any licensing revenue negotiated through industry bodies includes a distribution mechanism for independent creators—one that doesn't require formal collective membership.

Implementation: Create a statutory licensing pool where independent creators opt in and receive allocations proportional to their content's use in AI training.

Rationale: Protects independent creators who lack bargaining power of major labels while ensuring fair compensation for AI training data use.

3. Accessible Enforcement Mechanisms

Current Situation: Independent creators who discover unauthorized use must fund their own litigation against well-resourced AI companies.

Recommendation: Establish a statutory right to small-claims copyright adjudication for infringement claims under £50,000, with UK courts empowered to award attorney's fees to prevailing creators.

Rationale: Shifts enforcement burden from individual creators to the legal system, making copyright protection accessible to those without resources for lengthy litigation.

4. Retroactive Remediation Mechanism

Critical Gap Identified: The above frameworks protect future creators but provide no recourse for artists whose portfolios were used to train AI models (e.g., ChatGPT) in 2022-2023 without authorization or compensation.

Recommendation: Establish a one-time remediation mechanism—a statutory fund financed by AI companies to address retroactive unauthorized use.

Rationale: Establishes precedent that historical unauthorized use matters, not just future protections. Provides compensation to creators whose work contributed to current AI systems' capabilities.

CONTACT INFORMATION

For any queries regarding these sources or requests for additional documentation:

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