

The Impact of Artificial Intelligence on Canadian Screen Composers: Ensuring Credit, Consent, and Compensation in the Age of Generative AI

Executive Summary

- Screen composers use AI as a tool to enhance, not replace, human creativity.
- Generative AI music creation programs use and exploit composers' copyright protected works for commercial gain, without credit, consent, or compensation.
- Using text-and-data-mining to train AI programs for commercial purposes is not 'fair dealing' under the *Copyright Act*.
- The Government should promote policies that encourage licensing of Canadian creative IP for use in training GenAI systems – not policies that undermine Canada's digital sovereignty by promoting unauthorized use of Canadians' IP by multinational corporations.
- To support and foster a licensing environment that protects Canadian creators, the Government should introduce targeted legislation promoting transparency and clarity.

Introduction

1. The Screen Composers Guild of Canada (SCGC) is the national association certified under the Federal *Status of the Artist Act* to represent all professional Anglophone composers and music producers for audiovisual productions across Canada.
2. Artificial Intelligence (AI)—particularly Generative AI (GenAI)—has become both a transformative tool and a disruptive force in the music ecosystem. Policymakers now face a critical challenge: to encourage innovation while preserving fundamental legal rights of creators. The concepts of cultural and digital sovereignty mean little if multinational corporations can freely appropriate Canadian intellectual property and exploit it for their sole benefit.

Screen composers use AI as a tool to enhance, not replace, human creativity

3. Screen composers employ assistive AI technologies to enhance their productions, improve workflow and expand creative possibilities, not to replace human authorship and creation.
4. When used ethically and transparently, assistive AI technologies enable Canadian creators to enhance productivity, to innovate and to compete globally. Such AI tools can support creative work without eroding authorship or ownership.

Generative AI music creation programs use and exploit composers' copyright protected works for commercial gain, without credit, consent, or compensation

5. Canada is a world leader in music as the 3rd largest exporter of music in the global market.¹ The exploitation of our music brings significant revenues back to Canada and Canadians. For example, according to Spotify's most recent "Loud&Clear" report: "In the last year alone, Canadian artists earned nearly \$460M CAD in royalties on Spotify..."²
6. Canadian music creators also want Canada to lead on AI, including GenAI. In order to do so, it is essential that Canada's valuable musical IP be properly licensed and monetized in the rapidly expanding GenAI market. Otherwise, our music creators face steep declines in their revenues.
7. For example, a recent report from CISAC, which represents collective management organizations worldwide (including SOCAN), predicts a 24% decline in human music creators' revenues by 2028 as a result of GenAI.³
8. IP is the fuel which powers leading foreign-owned GenAI music platforms such as Suno and Udio. Unfortunately, many GenAI music players have simply taken

¹ <https://ca.billboard.com/business/streaming/canadian-music-luminate-2024>

² <https://newsroom.spotify.com/2025-06-04/canadian-artists-are-thriving-on-spotify-and-the-world-is-listening/>

³ <https://www.cisac.org/Newsroom/news-releases/global-economic-study-shows-human-creators-future-risk-generative-ai>.

Canadian composers' IP without consent, credit or compensation. This is not fair dealing. Rather, it is increasingly described as the greatest intellectual property theft in human history. If left unchecked, human creators risk becoming an endangered species.

Text-and-data-mining for commercial purposes is not 'fair dealing' under the *Copyright Act*.

9. The *Copyright Act*'s fair dealing provisions permit limited use of copyright protected material, without permission, only for the specific purposes of research, private study, education, parody or satire. Commercial text and data mining (TDM) activity which is used to populate and fuel the neural networks of commercial GenAI music offerings does not meet any of these purposes. Many AI companies have acknowledged this by lobbying governments, including Canada's, for copyright exemptions.⁴
10. Introducing a commercial TDM exception to the *Copyright Act* would undermine the collective licensing framework which has served Canada music creators well for a century, allowing multinational AI developers to expropriate Canadian creative IP against the will of rightsholders. Rightsholders would be deprived of their legal intellectual property rights and their ability to license and seek equitable remuneration for the use of their works.
11. Granting such a sweeping exemption would also destroy any meaningful sense of Canadian 'digital sovereignty'. A TDM exemption within the *Copyright Act* would serve up all of Canada's cultural and commercial IP for free use by any foreign company.
12. Unlicensed TDM activity inflicts both economic and moral harm, undermining Canadian creators' rights and Canada's creative economy. The ethical framework advanced by creators worldwide—the "three Cs" of consent, credit, and compensation—must guide Canada's policy framework for GenAI.
13. These principles underpin the ability of rights holders to license their works for commercial use and should apply equally to TDM activity which is used to train GenAI systems for the commercial marketplace.

⁴ <https://www.theglobeandmail.com/business/article-artificial-intelligence-models-copyright/>

The Government should promote policies that encourage licensing of Canadian creative IP for use in training GenAI systems – not policies that undermine Canada’s digital sovereignty by promoting unauthorized use of Canadians’ IP by multinational corporations.

14. Canadian IP is a natural resource which should be properly monetized and exploited. We wouldn’t give away our oil, our wheat or our water for free. And we certainly would not give a free pass to those who would take our resources without permission. By the same token, we shouldn’t allow our valuable creative IP to be extracted and exploited without consent, credit and fair compensation.

15. Throughout the past several years of government consultations, AI developers have claimed that requiring licenses would hinder innovation and investment, and would generally be too onerous. These claims are dubious:

- First, investment attraction depends on legal clarity. Jurisdictions that fail to establish clear copyright standards for AI development risk deterring responsible investors and inviting lawsuits from rights holders.
- Second, music is, and always has been, a licensing-based business. Canadian collectives exist precisely to ensure that commercial users can access Canadian creative IP, within the boundaries established by copyright law.
- Third, some ethical AI companies already obtain licenses before using copyrighted works for training, proving that workable models exist. These licenses may be negotiated directly with rights holders or through collective societies. However, most AI companies have failed to seek permission, making fair compensation impossible. The central problem is that AI companies have ingested creative works without consent—preventing rights holders from licensing their content in the first place.

16. As the recent Anthropic US\$1.5 billion settlement in the US shows⁵, the financial downside of taking without consent can be staggering. Massive financial liability and lingering uncertainty is not good for anyone, including GenAI players.

⁵ <https://www.cbc.ca/news/business/anthropic-ai-copyright-settlement-1.7626707>

17. SCGC notes there is a better way. One that doesn't require sweeping and controversial legislative changes. Canada's valuable musical IP can -- and should -
- be properly licensed and monetized in the GenAI market. And recent developments in the market show that licensing is clearly the path forward.
18. For example, copyright infringement litigation notwithstanding, the major record labels are currently negotiating licensing deals with Suno and Udio.⁶ And, following the launch of Sora 2, the Motion Picture Association warned that OpenAI must take "take immediate and decisive action" to prevent widespread infringement on the Sora 2 platform.⁷ The warning prompted the following response from OpenAI head Sam Altman: "We are going to try sharing some of this revenue with rightsholders... The exact model will take some trial and error to figure out, but we plan to start very soon. Our hope is that the new kind of engagement is even more valuable than the revenue share, but of course we want both to be valuable."⁸
19. If government were to grant AI developers a TDM exception, it would prevent licensing solutions and proper monetization of Canadian's IP to the massive detriment of Canada and Canadian creators. It would deprive Canadian creators of their legal property rights and give a free pass to those who take without asking. It would cut Canada off from ongoing participation in rapidly expanding and potentially massive GenAI revenues.
20. Collective licensing of musical works has worked exceptionally well for over a century. Collective management organizations have quickly adapted to new technologies over the years, from player-piano rolls, to LPs, to cassettes, to CDs and streaming, and they will adapt to GenAI as well.

⁶ <https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

⁷ <https://www.cnn.com/2025/10/07/openai-sora-2-must-stop-allowing-copyright-infringement-mpa-says.html>

⁸ <https://blog.samaltman.com/sora-update-number-1>

21. Licensing will allow Canadian creators to share in the revenues GenAI creates in an ongoing manner. If GenAI music platforms are successful, which seems likely, Canadian creators will share in that success for generations to come.

To support and foster a licensing environment that protects Canadian creators, the Government should introduce targeted legislation promoting transparency and clarity

22. Specifically, SCGC calls on the Government of Canada to introduce targeted legislation to protect Canadian composers and other rights holders from having their works expropriated for AI developers' commercial gain and to identify GenAI works via labelling requirements.

- First, to ensure transparency, legislation or regulations should require that works used on the 'input side' to train GenAI platforms are tracked/disclosed. Similarly, on the 'output side', regulations should require tracking and disclosure of copyright works which were drawn upon in the generation of new works
- Second, legislation or regulations should prohibit the appropriation of artists likenesses/voices by GenAI systems, without the artist's express consent.
- Third, GenAI works, including musical outputs, should be required to be labelled as such. SCGC submits such a requirement is clearly in the public interest, particularly given that recent surveys indicate that the majority of consumers oppose machine-generated media and prefer works created by real humans, with 90% of consumers indicating "it's important to know the media they consume is created by a real person."⁹
- Fourth, while SCGC believes the *Copyright Act* is fit for purpose with respect to ensuring that Canadian composers' artistic works are protected from unauthorized commercial use, should the Government elect to amend the *Copyright Act* in the future, SCGC submits that two targeted amendments would provide greater clarity, specifically:

⁹ <https://www.digitalmusicnews.com/2025/10/16/ai-music-survey-october-2025/>

- One, adding a definition of "Author" to the Act clarifying that, for the purposes of the Act, an Author means a human author.
- Two, explicitly clarifying that TDM of copyright protected works does not constitute fair dealing.
- Finally, SCGC encourages the government to publicly support its longstanding copyright regime and the intellectual property rights of Canadian creators and to formally call on AI companies to respect the copyrights of Canadian creators, as Japan's government has recently done.¹⁰

Conclusion

23. Canadian screen composers embrace innovation. SCGC members use AI to enhance human creativity—not replace it. However, unlicensed use of their work threatens their livelihoods and Canada's economic and cultural sovereignty.
24. Legislative clarity promoting ethical AI and collective licensing will allow Canada to lead globally in both innovation and cultural protection.

End of Document

¹⁰ <https://www.gamespot.com/articles/japanese-government-makes-formal-request-for-openai-to-stop-copyright-infringement/1100-6535425/>