SmartAIIP

ADAMS & ADAMS
Realise African Enterprise

Newsletter on AI & IP Developments for Africa | February to May (4th issue)

Two Minute Read:

US: a bipartisan CREATOR Act has been introduced to protect visual artists against deliberate, commercial AI style impersonation. That is a new policy lane because copyright has traditionally protected works, with much weaker protection for style. **UK:** the Government published its March 2026 Copyright and AI Report and effectively stepped back from a broad AI training exception for now, keeping attention on licensing, transparency and enforcement.
US litigation: CNN has sued Perplexity, taking the publisher-AI search fight beyond training and into answer engines that allegedly reproduce and distribute journalism. The Chicken Soup for the Soul publisher has also sued major AI companies over alleged use of shadow-library books, keeping dataset provenance firmly alive. **Africa:** South Africa published, then withdrew, its Draft National AI Policy after fictitious citations were found. That is awkward, but useful: it shows why governance cannot be outsourced to AI tools. The revised policy process is now a real test of credibility, oversight and African AI governance maturity. Our website covered this development in two separate articles available in the resources section of the SmartAIIP portal (link below).

Further information: links and take-outs

CNN sues Perplexity as AI search moves from citation to substitution - [Reuters, 28 May 2026]

Summary: CNN alleges Perplexity copied and redistributed its journalism through AI answer products that compete with the original source.

Context: CNN's lawsuit against Perplexity is part of the next wave of publisher disputes. The first wave focused heavily on model training. This one is about AI search and answer products that allegedly reproduce, summarise and distribute protected journalism in ways that reduce the need to visit the publisher's site. CNN alleges that Perplexity used thousands of CNN stories, videos and images to power its services and then delivered similar or identical content to users.

The facts-versus-expression defence will be central. Perplexity has reportedly said facts cannot be copyrighted. CNN's likely answer is that copyright protects the selection, structure, wording, images and presentation of journalism, even where the underlying facts remain free for public use. The dispute is therefore about where lawful search, summary and citation end, and where an AI answer engine becomes a substitute publisher. That matters to media houses, law firms, universities and any content-rich organisation now seeing its material converted into AI answers.

For African publishers and professional content providers, this is close to home. The content market is smaller, licensing budgets are tighter and traffic loss can hurt quickly. A site that depends on advertising, referrals or subscription conversion has a real problem if AI answers consume its content while sending little value back. The compliance lesson for businesses is equally direct: using AI tools to gather research does not make downstream copying safe. AI research outputs should still be checked for source, attribution, extract length and commercial use.

This is important because:

- **In-house teams:** review whether staff are using AI answer engines to reproduce third-party content in reports, pitches, training packs or client alerts.
- **Rights-holders:** monitor AI search outputs for near-verbatim reproduction, missing attribution and substitution of original traffic.
- **Educators & researchers:** useful case for teaching the distinction between facts, expression, summaries, scraping and commercial substitution.

Link: https://www.reuters.com/legal/litigation/cnn-files-suit-against-perplexity-alleging-unlawful-content-distribution-2026-05-28/

Further reading: https://www.theverge.com/ai-artificial-intelligence/938893/cnn-perplexity-ai-copyright-lawsuit



UK Government Copyright and AI Report: no broad training exception for now - [UK Government / Hogan Lovells, 18 March 2026]

Summary: The UK Government has kept the law steady for now, leaving AI training questions to licensing, transparency and future reform.

Context: The UK Government's March 2026 Report on Copyright and Artificial Intelligence is important because of what it declines to do. After months of pressure from both AI developers and creative industries, the report does not introduce a broad copyright exception for AI training. It also does not settle whether training on copyright works is lawful in any simple way. Instead, it maps the competing options and keeps the focus on transparency, licensing, technical tools, enforcement, digital replicas and computer-generated works.

Several commentators describe this as a pause or a step back from the more aggressive opt-out model previously floated. Rights-holders will see that as a win, because it avoids a regime where works could be used for training unless creators opt out effectively. AI developers will see ongoing uncertainty, because they still need workable datasets and scalable licensing models. The uncomfortable truth is that both sides have a point. A blanket exception may undercut creators. A licensing-only approach may be expensive, slow and structurally difficult for smaller AI developers and researchers.

For South African and African policy makers, this report is a useful warning. The easy slogan is to say that we need to balance innovation and rights. The hard part is designing a system that actually works for local creators, universities, start-ups and public bodies. An imported opt-out model may fail where rights data is poor and enforcement is weak. A licensing-only model may privilege incumbents. The more realistic route is a layered framework: provenance records, sector licensing where feasible, transparency duties for higher-risk deployments, and clear exceptions for genuine research and education.

This is important because:

- **In-house teams:** avoid assuming that UK or common-law policy is moving toward free training use; keep clearance and licensing records.
- **Rights-holders:** transparency and licensing remain the key battlegrounds; opt-out tools should be treated as evidence, not a full strategy.
- **Educators & researchers:** strong comparative policy material for assessing AI training exceptions in common-law systems.

Link: https://www.gov.uk/government/publications/report-and-impact-assessment-on-copyright-and-artificial-intelligence/report-on-copyright-and-artificial-intelligence

Further reading: https://www.hoganlovells.com/en/publications/ai-and-copyright-uk-government-backs-away-from-exceptions-for-ai-training-proposes-maintaining-the

Chicken Soup for the Soul publisher sues major AI companies over shadow-library training - [Reuters, 18 March 2026]

Summary: A new US lawsuit alleges major AI companies used pirated books to train systems on emotionally rich narrative content.

Context: The publisher behind Chicken Soup for the Soul has sued several major AI companies in California, alleging that pirated copies of its books were used to train AI systems. The defendants reportedly include Apple, Google, Nvidia, Meta, OpenAI, Anthropic, Perplexity and xAI. At one level this sounds familiar after the author and publisher cases we have covered before. The new angle is the plaintiff's emphasis on why these particular books matter: first-person, conversational, emotionally rich stories that are valuable for training systems to mimic human warmth and narrative tone.

That framing is clever. It pushes the case beyond a spreadsheet of titles allegedly found in shadow libraries. It asks the court to consider the qualitative value of the works to the AI system. If an AI product sells better because it can tell comforting, human-like stories, then the source material used to teach that behaviour becomes commercially significant. The claim will still face the usual issues: proof of copying, fair use, dataset provenance, causation and damages. Yet it strengthens the rights-holder narrative that training data is not just raw fuel. It is creative infrastructure.

For African rights-holders, this matters because many commercially valuable works sit outside formal licensing systems: educational materials, local-language stories, religious texts, health content, legal commentary, photographs and cultural archives. If those materials are scraped into models, the author may struggle to prove use or harm. The practical response is to improve rights records now. Keep title lists, publication dates, ISBNs, contracts, digital fingerprints where possible and clear terms of use. Waiting for litigation after scraping has occurred is a weak position.

This is important because:

- **In-house teams:** dataset diligence should ask what the training material teaches the model, not only whether a title appears on a list.
- **Rights-holders:** keep better rights inventories and evidence of commercial value, especially for narrative, educational and culturally specific works.
- **Educators & researchers:** good case study on qualitative value in training data and the limits of fair-use shorthand.

Link: https://www.reuters.com/legal/transactional/chicken-soup-soul-publisher-sues-tech-companies-over-ai-training-2026-03-18/



OTHER DEVELOPMENTS (brief notes)

US Supreme Court declines to recognise AI authorship (Thaler v Perlmutter):

The Court refused to hear an appeal, leaving in place the position that copyright protection requires human authorship and does not extend to works created solely by AI.

Link: https://www.hklaw.com/en/insights/publications/2026/03/the-final-word-supreme-court-refuses-to-hear-case-on-ai-authorship

Major publishers sue Meta over alleged pirated AI training data:

Leading academic and trade publishers have filed a class action alleging Meta trained its Llama models on large volumes of pirated books and articles, sharpening focus on dataset sourcing and fair use limits.

Link: https://www.hklaw.com/en/insights/publications/2026/05/major-publishers-challenge-ai-training-practices

AFRICAN AI GOVERNANCE NOTE

South Africa is the main African development this period. The Draft National AI Policy was published for comment in April 2026, proposing new institutions such as a National AI Commission, AI Ethics Board and AI Regulatory Authority. It was then withdrawn after fictitious, apparently AI-generated references were identified in the document. The Minister has indicated that an independent panel will revise the policy, with a new process expected to run into 2027. The lesson is blunt: AI governance policy must itself be governed. Human review, source verification and accountability are not admin details. They are the credibility layer. We have covered the content on the Draft AI Policy and its withdrawal in separate articles on our website (see links below).

Kenya also continued implementation work around public-sector AI governance, including UNESCO-supported training for officials. UNESCO has also supported engagement in Gabon around the Global Network of AI Supervisory Authorities, signalling growing African participation in AI supervision and governance networks.

South Africa draft AI policy published:
https://www.reuters.com/legal/litigation/south-africa-unveils-draft-ai-policy-proposes-new-institutions-incentives-2026-04-10/

South Africa withdrawal and revised process:
https://www.reuters.com/world/africa/south-africa-withdraws-ai-policy-due-fake-ai-generated-sources-2026-04-27/

South Africa revised-policy target:
https://www.reuters.com/world/africa/south-africa-targets-january-2027-revised-ai-policy-after-earlier-withdrawal-2026-05-26/

Resources | SmartAIIP:
https://smartaiip.adams.africa/resources/

Kenya UNESCO governance-led AI transformation:
https://www.unesco.org/en/articles/kenya-accelerates-governance-led-ai-transformation

UNESCO GNAIS outreach in Gabon:
https://www.unesco.org/en/articles/strengthening-ai-governance-africa-unesco-supports-gnais-outreach-gabon

EDITORIAL NOTE: WHAT WE CHOSE NOT TO REPEAT

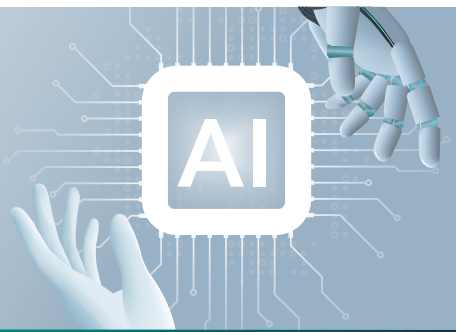
SmartAIIP is intentionally cumulative. We have not repeated the earlier Getty, Anthropic settlement, OpenAI output and EU GPAI stories unless a materially new angle emerged inside this three-month window. This edition therefore focuses on new litigation, new policy movement and practical control mechanisms for publishers, creators and organisations.

Have you checked your AI IP readiness?

If you want to understand your business or organisation's state of readiness today, take our online AI IP Readiness Assessment at www.smartaiip.adams.africa. It takes just a few minutes to complete.

How we can help:

Vetting Services | Policy Creation | Education | Intellectual Asset Management
Contract Drafting | Monitoring



Contact us for a coffee:
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