The World Wide Web is a vast, informational, and unique space where anyone with anything to say, and an internet connection, can share their voice. Like all technology in the modern age, the internet has evolved rapidly. With the rise of artificial intelligence, specifically generative AI systems developed by companies like OpenAI, concerns have risen over the use of millions of authors' work without the appropriate credit or compensation. While AI is a promising, and transformative technology, the rapid growth of AI companies rests upon the backs of countless human creators who deserve recognition for all their labor. For this reason, AI companies should be legally required to compensate authors whose copyrighted works are used in artificial intelligence training and development.

The authority to regulate intellectual property originates directly in the United States Constitution. Article 1, Section 8, Clause 8, commonly known as the intellectual property clause, grants congress the power to secure exclusive rights to authors and inventors for limited times in order to promote the progression of science and practical arts. This clause reflects a deliberate constitutional balance between incentivising creativity and ensuring the public has access to knowledge. As new artificial technologies emerge, Congress retains the constitutional responsibility of updating copyright laws to accommodate modern challenges. While courts may continue to interpret existing statutes, it is ultimately the role of the legislative branch to establish clear, democratically accountable rules governing how AI companies may lawfully utilize copyrighted works.

AI’s recent, widespread presence is not a coincidence. By early 2026, OpenAI reportedly reached approximately 20 billion dollars in revenue, a 233% increase since 2023. A significant portion of this revenue, about 55-60%, is generated from subscription services such as the paid tiers of ChatGPT subscriptions. The subscriptions range in price from free, up to costing $200 a

month for access to the newest version of ChatGPT. Regardless of price, these services promise users concise, synthesized answers to human queries generated from patterns learned through vast amounts of human-created content. This large commercial success undermines the importance of examining whether or not existing copyright policies and laws protect creators who make this system possible.

OpenAI and similar companies rely on the doctrine of fair use, outlined in Section 107 of the Copyright Act (1976), which permits the limited use of copyrighted material with the purpose of criticism, comment, teaching, and research. However, the Supreme Court has made it clear fair use is not unlimited. In *Harper & Row v. Nation Enterprises* (1985), the Court emphasized that the unauthorized use of unpublished work for commercial gain is not fair use. This precedent supports the argument that if AI training includes unpublished or highly valuable expressive work, for the purpose of gaining profit, compensation to authors is ethically and legally required to avoid commercial exploitation.

That being said, compensating authors on a per-use basis would be impractical given the scale of AI training datasets. A more realistic and efficient solution would be the implementation of licensing agreements between AI companies and content holders. This approach is supported by *Feist Publications Inc, v. Rural Telephone Service Co.* (1991), in which the court held that actual facts are not copyrightable, but the creative expression of said facts is protected. Under this framework, AI systems may freely use factual information, while expressive works such as: original writing, music, and code remain protected and subject to licensing agreements. Therefore, collective licensing schemes would balance innovation with respect for intellectual property rights.

Opponents of the argument for compensating authors often argue that AI training constitutes a transformative use protected under the fair use doctrine, citing cases such as *Sony Corp of America v. Universal City Studios* (1984). In that decision, the Supreme Court held that technology developers are not liable for copyright infringement if their products are capable of non-infringing uses. Supporters of AI companies often argue that, like the VCR, AI is a multi-purpose tool whose benefits outweigh copyright concerns.

However, the analogy between the VCRs and AI systems is flawed. In *Sony Corp of America v. Universal City Studios* (1984), it was emphasized by the Court that home video recording was non-commercial, privately used, and did not threaten the market for the original works. In contrast, AI training is centralized, commercial, and integral to the revenue of AI companies. Unlike private home videos, AI-generated content may directly substitute for the original expressive works, threatening the market. As a result, *Sony Corp of America v. Universal City Studios,* cannot be interpreted as granting overall immunity to AI companies from compensating content creators.

Unregulated AI poses additional risks of harmful and deceptive deepfakes, proliferation of misinformation, and job displacement among all creative industries. However, despite the regulatory challenges posed by artificial intelligence, AI technology is, inevitably, a promising part of the future. In healthcare, for example, AI has been shown to increase diagnostic accuracy, accelerate drug discovery, and identify abnormalities in medical images human clinicians may overlook. Laws and judicial decisions do not exist to stifle this growth and innovation, but to mitigate harm and promote the American value of fairness. These risks demonstrate the power and impact of AI and the necessity of legal groundwork to ensure its benefits do not come at the expense of human creators. By requiring legal compensations through licensing systems,

lawmakers can ensure that AI serves the public good, while also respecting the constitutional values that protect creativity and labor.

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