MEDIA RELEASE



Artificial Intelligence – SUISA is committed to securing fair remuneration for its members

The providers of Al platforms must pay fair remuneration to authors and publishers for the use of their protected works for machine-learning training purposes. For this reason, SUISA, the Swiss Cooperative Society for Music Authors and Publishers, only permits Al platforms to use the musical works of its members with a licence. The providers should negotiate the remuneration for this use with SUISA as they do with other collective management organisations.

Zurich, 11 March 2024 - Artificial intelligence is only capable of producing interesting content because it is fed with large volumes of existing works of music, literature, photography or film. For this purpose, Al algorithims are "trained" primarily with existing works which are human-made and in most cases protected by copyright.

Music creators must be fairly remunerated for the use of their works

SUISA, the cooperative society for music authors and publishers in Switzerland and Liechtenstein, intends to ensure that its members are fairly remunerated for the use of their works for training purposes by Al platform providers. SUISA does this by explicitly informing the providers of Al-generated music that the musical works in SUISA's catalogue may not be used for text and data mining without a valid licence.

Text and data mining involves the collection of large volumes of data such as music files or song lyrics and their storage and processing in databases for the purpose of training Al models, for example. Training Al models with music, texts or images generally requires the reproduction of these works for storage and processing. This is where reproduction rights come into play and enable the author, or SUISA as the case may be, to grant a licence to reproduce the works.

In Switzerland, under the Copyright Act, text and data mining is only permitted without a licence for purposes of scientific research. European law provides otherwise: in the EU, text and data mining is also permitted for other purposes such as entertainment. However, European rightholders have the possibility of opting out, by explicitly reserving the use of their works for text and data mining.

Al providers must negotiate a licence with SUISA for the use of music for training purposes

SUISA is applying the opting-out right in Europe immediately. Accordingly, Al providers in Switzerland and in EU countries must negotiate a licence with SUISA if they wish to use the works of SUISA members for training purposes. The same applies for all other countries in which such licences are required. This is designed to ensure that, even in the case of Al-generated music, the copyrights in the relevant works are respected and the artists are fairly remunerated for the contribution of their works to Al performance.

Authors' works provide the raw material for Al-generated music

"The accelerating development of artificial intelligence in the recent past offers companies and private individuals great opportunities and facilitations," says Andreas Wegelin, CEO of SUISA. "Precisely in the cultural domain, AI is so advanced as to enable the development of entirely new creative fields. This is largely thanks to

the authors and creators whose works serve as raw material for Al-generated music. Here too, SUISA is committed to ensuring that these artists receive fair remuneration for their work."

Several collective management organisations have already applied the opting-out right in Europe.

Legal bases for opting out

In Switzerland, the text and data mining exception contemplated under Article 24d of the Copyright Act is rarely applicable since it applies only to scientific research. SUISA believes that no other statutory exception can be asserted under Swiss copyright law.

Under European law, text and data mining is permitted not only for the purpose of scientific research but also for other purposes including entertainment (Articles 3 and 4 of Directive (EU) 2019/790). Although still unclear, the copyright exception could therefore apply to the reproduction of existing works for use in AI-generative processes even unrelated to research-based commercial purposes, for example. But rightholders have a possible defence against this text and data mining exception: they may expressly reserve the use of their works in an appropriate manner by exercising their opting-out right.

Further information:

for German- and English-language media **Giorgio Tebaldi** Head of Communication Tel. +41 44 485 65 03

email: giorgio.tebaldi@suisa.ch

for French-language media:

Vincent Salvadé
Deputy CEO SUISA
Tel. +41 21 614 32 10

email: vincent.salvade@suisa.ch

About SUISA

SUISA is the cooperative society for composers, lyricists and music publishers in Switzerland and Liechtenstein. Its 41 000 members represent all musical walks of life. SUISA represents the world music repertoire of two million authors in Switzerland and Liechtenstein. It licenses the use of this world repertoire to over 120 000 clients. In 2017, SUISA and SESAC, a US music rights organisation, established Mint Digital Services in joint venture. Mint Digital Services is responsible for the accounting and management of the transnational music licensing activities of SESAC and its subsidiary The Harry Fox Agency, and for SUISA's business with online providers; the joint venture company also provides services for publishers.

SUISA employs a staff of 220 in its offices in Zurich, Lausanne and Lugano and realises an annual turnover of over CHF 190 million. As a not-for-profit organisation, SUISA distributes its licensing revenues, net of a cost coverage deduction, to music authors and publishers. www.suisa.ch

www.suisa.ch MEDIA RELEASE 11.03.2024 2