

# INQUIRY SUBMISSION

To Lords Communication and Digital Committee

Large Language Models  
September 2023



# CONTENTS

<b>A. Introduction .....</b>	<b>2</b>
<b>B. The Contribution of the UK Screen Sectors .....</b>	<b>4</b>
<b>C. Large Language Models and the Screen Sectors .....</b>	<b>6</b>

# A. INTRODUCTION

## About British Screen Forum

British Screen Forum is a membership organisation through which many of the best informed and most influential people in the UK Screen Sectors convene to interrogate issues of importance and influence policy and the thinking around policy. We provide a unique and trusted space for key players from the Screen Sectors to come together to debate the implications of the evolving landscape and the policy and regulatory environment, and to gain unrivalled insight into emerging themes and innovative technologies.

Members are senior figures drawn from a wide range of businesses and organisations operating in the film, TV, video game and/or online sectors. We aim to cover the whole value chain as well as the full range of means of distribution, so include members who can speak for writers, technicians, independent producers, directors, studio operators, distributors, exhibitors, broadcasters, games publishers, games developers, pay TV platforms and online platforms. It is a unique cross-sectoral mix, with a balance of creative, policy and business specialists. Further details are available on our website.<sup>1</sup>

Including under our former name – British Screen Advisory Council – we have played an important role over many decades in helping to ensure that the public policy framework enables the Screen Sectors to deliver the strong growth in GVA, jobs and exports it has achieved over recent years.

## About This Submission

In our report in July 2022, “UK Screen Sectors: A Prospectus for Growth in an Age of Change”<sup>2</sup>, we urged policymakers not to take the Screen Sectors for granted, a sentiment that was reflected in the Communications and Digital Committee report 'At Risk: Our Creative Future' published in January 2023. We therefore welcome the Committee's inquiry into Large Language Models, which have very significant implications - both positive and negative - for the ability of Screen Sector companies to continue to deliver the strong economic growth they have delivered over recent years. In doing so, we also note that the

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<sup>1</sup> See <https://britishscreenforum.co.uk/>

<sup>2</sup> See <https://britishscreenforum.co.uk/wp-content/uploads/2022/07/UK-Screen-Sectors-A-Prospectus-for-Growth-in-an-Age-of-Change.pdf>

Creative Industries Sector Vision presented to Parliament by the Culture Secretary in June 2023 set out an ambitious target for the Creative industries to add a further £50bn to GVA by 2030.

This submission has been drafted specifically for the call for evidence and has been developed in close consultation with our members.

## B. THE CONTRIBUTION OF THE UK SCREEN SECTORS

The Creative Industries – which the Screen Sectors are part of – have been an economic powerhouse over the last decade or more.

The Screen Sectors, which comprise, film, TV, streaming, video games and online/social video - are a key part of the broader Creative Industries. Economic data sets do not generally allow us to separate out the contribution of the Screen Sectors, but it is clear that they are a crucial component of the success of the Creative Industries as a whole.

The Creative Industries are key drivers of growth and renewal in the UK as we emerge from the Covid-19 pandemic. Between 2019 and 2022, the UK economy barely grew at all. By contrast, over the same period, and despite the fall in activity in 2020 when lockdowns were introduced, GVA for the Creative Industries grew by 16% in real terms.

This resilience even at a time of national (and global) crisis illustrates the economic strength and importance of the Creative Industries. Media coverage of the sector tends to focus on its 'creative' contribution, and this is indeed very important. But there is a tendency to underplay the 'industry' part of the 'Creative Industries', despite its economic contribution being just as important to the UK, if not more so:

- We estimate GVA for the Creative Industries in 2022 to be £123 billion in 2019 prices (equivalent to £137 billion in current prices), and to have grown by 54% in real terms since 2010. Over the same period, the overall UK economy grew by just 20% in real terms.
- The Creative Industries employed 2.4 million people in 2022, 53% more than in 2011 (when the employment data set begins). Over the same period, total UK employment grew by just 12%.
- The Creative Industries generated £46 billion in exports in 2021 (the most recent year for which we have data), having grown by a remarkable 210% since 2010. Total UK exports of services grew by less than half this rate, just 80%, over the same period.<sup>3</sup>

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<sup>3</sup> Data source: DCMS Sectors Economic Estimates (British Screen Forum calculations). Employment data set begins in 2011). In line with common practice, we are showing GVA in real terms (2019 prices) and exports in

The Screen Sectors also play a vital role in terms of cultural value and soft power. They are extremely powerful in their capacity to provide benefits to society in terms of access and inclusion, quality of life, providing a sense of community, encouraging citizens to engage in educative content, strengthening cultural identities and promoting cultural understanding, and facilitating informed democracy. And given their prevalence and popularity all over the world, they are uniquely placed to project soft power and UK values around the world. This soft power contribution is especially important right now, at a time of extreme geopolitical uncertainty, and is likely to remain so in the years ahead.

The success of the Screen Sectors - and of the broader Creative Industries - is underpinned by the existing intellectual property rights (IPR) regime. The ability to choose where, when and how the rights arising from copyright in content are exercised is crucial to ensure there can continue to be the same levels of investment in the creation and distribution of the content that consumers enjoy. The UK currently has a supportive IPR framework and should rightly be recognised as being at the forefront of IPR protection. This gives its creative industries and the UK economy a competitive advantage over countries where this is not the case.

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nominal terms (i.e., current prices). The GVA figure is higher than the £108bn cited by the Prime Minister in his foreword to the Creative Industries Sector Vision. This is because the PM's figure is for 2021 rather than 2022, and is based on the monthly time series (in real 2019 prices) as the full monthly data set for 2022 (as used for this submission) had not been published at that point.

## C. LARGE LANGUAGE MODELS AND THE SCREEN SECTORS

Large Language Models (LLMs) offer a myriad of opportunities for screen sector companies, in terms of the creation, distribution and monetisation of audiovisual content. The sector itself is well placed to manage the changes that such tools will facilitate, having navigated through a number of advances over recent years and decades, including the switch from analogue to digital technologies, and the advent of streaming and virtual production. Indeed, many screen sector companies are already exploring the possibilities that LLMs will offer to them in all parts of the value chain. Screen sector companies fully understand that such 'Artificial Intelligence' (AI) technologies succeed best with access to, and investment in, high quality, broad, diverse and trusted datasets and source material. Indeed, some companies have a direct interest in both developing AI tools and monetising audiovisual content.

As with previous technological advances, alongside the value that may be generated using LLMs comes the potential to undermine and/or transfer value. For the screen sectors that value rests in intellectual property (IP) rights which form the bedrock on which creative businesses are built and on which the Creative Industries' £123bn contribution to UK GVA depends.

The aim of public policy in this area should therefore be to maximise the benefits of LLMs without damaging the vital economic contribution made to the UK economy by the Creative Industries, including the screen sectors. In developing appropriate policy, it will be important to ensure that, in the development and deployment of new products and features, both creative expression and IP rights are protected without unnecessarily hindering innovation, including the separate desire for IP rights holders to use Artificial Intelligence tools in conjunction with their own IP.

New forms of creativity are often inspired by the world around us, including the artists, creative works, and styles that we admire and learn about. LLMs tailored to create generative AI content work in a similar way - learning from data sets and creating new text, images, video, music and more. It is clear that an LLM which draws on pre-existing content used in its training in order to create new content may in some circumstances reduce the value of the pre-existing content, for example by producing a substitutable product. That is not an argument against using LLMs to create new content, but it is an argument for such creation to take place within a legal framework which appropriately supports and rewards human creativity and innovation.

The territory of legal use of existing IP by third parties has historically been navigated through the use of licensing agreements freely entered into by both the rights holder and the party wishing to make use of the IP in question. An exemption to copyright protection already exists in relation to research for a non-commercial purpose, and we note that in the 2022 Government Response to the Consultation '*Artificial Intelligence and Intellectual Property: copyright and patents*', the Intellectual Property Office (IPO) stated "*Data mining systems copy works to extract and analyse the data they contain. Unless permitted under licence or an exception, making such copies will constitute copyright infringement.*"<sup>4</sup> This issue is currently the subject of active consideration by the IPO through engagement with a wide range of relevant stakeholders - including British Screen Forum.

It should go without saying that those developing and using LLMs should comply with all relevant UK laws at all stages, including copyright, performers' rights and all other intellectual property rights, including training of LLMs and output of material by them.

We are still at the foothills of our understanding of how LLMs will transform the screen sectors, and of the risks and benefits it offers to both existing and new players in the sector. At this time, it is therefore important that Government and Government agencies, such as the IPO, promote clarity, certainty and understanding about copyright and AI for developers and rights holders, including around datasets used for training purposes. As LLMs and the power of AI develops, the IPO should commit to continuing to protect the open internet and to ensuring that those involved in the Creative Industries can continue to generate appropriate revenue from their creative work.

Finally, we would ask the committee to note that issues around AI and copyright have a very significant international dimension. It is therefore important that UK Government consider and engage with other countries when designing a policy response.

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<sup>4</sup> See <https://www.gov.uk/government/consultations/artificial-intelligence-and-ip-copyright-and-patents/outcome/artificial-intelligence-and-intellectual-property-copyright-and-patents-government-response-to-consultation> , para 32