

# Exploring Opportunities and Challenges: The Intersection of AI and Intellectual Property Laws in India

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**Abstract:** Artificial Intelligence (AI) is fast reshaping industries and systems of governance, enhancing efficiency, automation, and innovation. AI is now being integrated into various industries in India, including healthcare, finance, education, and legal, among others, which has opened up new avenues for economic and technological development. Meanwhile, AI content and AI inventions have also sparked major IP (intellectual property) complications in the world of startups. The “Copyright Act, 1957” and “Patents Act, 1970” are the existing legislatures of India, primarily oriented towards human creativity and inventiveness, leaving application to AI-generated works somewhat ambiguous. This paper explores the evolving dynamics of AI and IP laws in India, studying aspects like authorship, ownership, originality, infringement, inventorship, and utilization of copyrighted data in training AI. The study highlights various legal and regulatory gaps related to AI-generated creations and AI-assisted innovations. It also contemplates on the recent scenario at the international level, particularly in the U.K., U.S., and European Union, to discern the potential scope for response in India. The paper concludes that India needs a dynamic and balanced IP framework that fosters innovation while ensuring that creators' rights, public interest, and legal security are upheld in the age of AI-driven technological advances.

**Keywords:** Artificial intelligence, Intellectual Property Law, Copyright Law, patent law, India, AI legal regulation, generative AI, Innovation policy.”

## 1. INTRODUCTION

AI is a disruptive technology with great effectiveness that could be very beneficial in the 21st century. AI systems are increasingly now able to perform tasks traditionally associated with human intelligence, including learning, planning or reasoning, predicting, creating something new, solving problems and taking autonomous decisions. With the emergence of new trends in generative artificial intelligence technologies, much of literary text, paintings, software codes, technical drawings, music compositions, and research products can be created without



human assistance. These changes have radically altered the world-wide innovation ecosystem, and created severe legal and policy issues on the protection of intellectual property rights.

In recent years, the link between AI and IP law in India has become pertinent due to the rise of the digital economy and the proliferation of start-ups in the country. Government programs like Digital India, Startup India, Make in India and the National Strategy of AI have increased technological development and the use of AI in various industries. At present, India is one of the largest global markets when it comes to AI based innovations and digital entrepreneurship. Nevertheless, even with the advancement in technology, the Indian legal system is poorly ready to tackle the complicated legal issues of the outputs and inventions of AI and AI assisted.

The outdated intellectual property regulations have been founded on the belief that innovation and creativity can be generated with the help of the human mind. Copyright protection applies original expressions made by human authors whereas patent protection is a reward given to inventions that are developed by human resource and creative effort. These assumptions are challenged by the fact that the creative and inventive process involves more and more machine involvement in the creation of autonomous AI systems. As a result, there are tough legal issues about whether AI generated works ought to be accorded intellectual property protection and, in that case, who shall be known as the legal owner, author and inventor.

The legal status is worsened by the fact that there are no specific AI laws that govern AI in India. Even though some of the existing statutes, including the “Copyright Act, 1957” and the “Patents Act, 1970” offer partial guidance, they fail to provide a solution to the issues surrounding generative AI systems, algorithmic creativity, training datasets, machine inventorship, and AI-related liability. Such a legal ambiguity poses a threat to the creators, innovators, investors, and technology firms in the digital economy of India.

### **Research Gap**

Majority of studies done in India are either descriptive, and do not critically analyze the deficiencies of current IP laws regarding generative AI technologies. It lacks the doctrinal analysis of applicability of “Section 2(d)(vi) of the Indian Copyright Act” to autonomous AI generated works, the process of treating an AI assisted inventions under Indian patent law and the legality of utilizing copyrighted datasets to train a machine learning model.

The current research fills this gap by engaging in a poignant work of doctrinal and comparative analysis of the interplay between AI or A.I and the intellectual property laws in India. It critically considers the statutory provisions, legal interpretations, policy agendas and comparative international strategies and offers a balanced legal regime, which is appropriate to the Indian setting.

### **Research Objectives**

1. To discuss the effects of AI on the laws of intellectual property in India and especially copyright and protection of patents.
2. To examine the legal and regulatory issues related to AI-generated content and AI assisted inventions and recommend appropriate changes to the Indian intellectual property system.

## **2. RESEARCH METHODOLOGY**

The current research paper takes a doctrinal and analytical research approach. The study has used mostly secondary sources such as statutes, judicial decisions, and reports by the government, policy documents, scholarly articles, international conventions, as well as institutional publications. The work also applies the method of qualitative analysis to the interpretation of statutory provisions, legal principles, and policy regimes and frameworks relating to AI-generated works and AI-assisted inventions. The reports published by the WIPO, the United States Copyright Office, the United States Patent and Trademark Office, the European Union, and the NITI Aayog are all sources. The methodology makes it possible to explore in detail the legal reactions to various challenges generated by the advancement of AI technologies at the national and international levels.

### **AI and the Indian Innovation Ecosystem**

AI is now at the heart of the technological and economic transformation in India. The National Strategy of AI that was published by NITI Aayog acknowledged AI as a critical force contributing to economic development, efficiency in governance, and social development. The report listed healthcare, agriculture, education, smart mobility, and smart cities as areas where AI could be applied in India as a priority (NITI Aayog, 2018).

The AI ecosystem in India has grown at a high pace given the rise in internet penetration, the growth of digital infrastructure, the growth of startups, and the boost in the government towards technological innovation. Applications of AI-based systems are becoming more prevalent in the e-commerce sector, legal technology, healthcare diagnostics, predictive analytics, cybersecurity, and financial services. Generative AI is also finding applications in content generation, software, translation, advertisement, and digital marketing. The adoption of AI technologies in the corporate and creative industries has significantly enhanced the significance of protecting intellectual property. The AI systems can help the researchers define the technical solutions, analyse the scientific data and speed up the process of innovation. In the artistic field, AI is valuable in helping in the creation of artworks, development of scripts, creation of images and the writing of music.

### **Copyright Challenges in the Era of Generative AI**

The field of intellectual property that is largely impacted in the AI age is copyright law. In India the Copyright Act of 1957 is used to protect original literary, dramatic, musical and artistic works. Conventionally, the area of copyright protection relies on human innovativeness and intellect. But recently, generative AI systems are creating content with little human interference, disrupting the conventional concepts of authorship and originality.

### **AI-Generated Works and Authorship**

The Copyright Act, in section 2(d)(vi) , gives the guideline that when dealing with computer-generated works, the individual who causes the work to be formed must be the author. This provision, though seemingly progressive, was introduced in the time when AI technologies were nowhere near the modern generative AI systems in terms of their autonomy.

This is ambiguous as there are no further explanations on how the user, developer, programmer, and owner of the AI system should be perceived as a writer. Modern generative AI engines sometimes generate results in an autonomous process of algorithm-driven generation that is not directly controlled by a human. It is therefore difficult to determine who triggers the creation, which results in legal complications.

The legal analysis is further complicated with the problem of originality. In *Eastern Book Company v. D.B. Modak* [(2008) 1 SCC 1] , the Apex Court of India decided that originality entails a modicum of creativity that requires intellectual application and the use of judgment. Provided there are no human creativity or few levels of creativity, AI-generated outputs might not meet this requirement.

Courts and copyright authorities around the world are becoming more conscious of requirements of human authorship. The United States Copyright Office made it clear that the purely AI-generated content with negligible human input cannot be copyrighted (U.S. Copyright Office, 2025). This broader wording of Section 2(d) (vi) will eventually be applied by India even though it is more specifically interpreted.

### **Copyright Infringement and AI Training Data**

Generative AI systems are based on large datasets with books, images, music, software code, and online information to facilitate training. A large portion of this content is covered by copyright laws. As a result, the training of the machine learning objects with the help of the copyrighted datasets brings up severe legal issues of the illegal reproduction and infringement.

There are no special laws to control AI development in India in terms of text and data mining. The current copyright exceptions in Section 52 can give modest coverage in principles of fair dealing but it is not clear whether they apply to commercial AI training. The lack of legal clarity poses threats to creators and developers of AI. The restrictive nature of interpretation as interpreted might detract innovation and technological inquiries, and the liberalization of copyrighted data could jeopardize economic and moral rights of writers.

### **Deepfake Concerns and Moral rights**

Section 57 of Copyright Act safeguards moral rights of authors in regards to attribution and integrity. The AI-produced imitations, alterations, and the deepfake technology can potentially infringe on these rights by misrepresenting or manipulating original pieces and acts. Deepfake technologies are getting more advanced and can create any visual and audio material in a realistic way. Such technologies can be detrimental to artists, performers, publics, and creators by causing inaccurate or slanderous images. Thus, copyright law gradually comes into conflict with the right to privacy, the right to personality, and ethical rules of AI management.

### **AI-Assisted Inventions and the Patent law**

AI-driven innovation is highly disruptive of Patent Law . Indian Patents Act, 1970 provides a patent protection to inventions that are novel, (inventive step) and industrial applicability. But the law assumes that human invention will take place.

The AI systems are currently used to help scientists discover pharmaceutical compounds, engineering structures, help optimize industrial processes and create scientific discoveries. As a result, there is a legal ambiguity concerning the patentability and ownership of inventions made with the help of AI.

### **AI and Inventorship**

The Indian patent law does not consider AI systems as inventors. In patent applications, there must be disclosed a human inventor, who is in charge of the inventive concept.

The DABUS litigation had the worldwide impact since the patents used the name of an AI system as an inventor. These applications were denied by courts and patent offices in various jurisdictions because inventorship according to current patent laws would be a natural person. This principle was confirmed by the UK Apex Court in *Thaler v. Comptroller-General of Patents* [2023] UKSC 49]. India would tend to think on the same lines since Patents Act 1970 is based on human inventorship. However, AI-aided inventions can nonetheless be the ones to receive a patent in case there has been a significant amount of human input.

### **AI Based Invention Patentability**

Indian Patents Act, Section 3(k) leaves out of patentable, computer programs, as such. This clause has brought ambiguity when it comes to inventions that are related to AI since machine learning algorithms and software-based inventions frequently encompass computational procedures.

The Indian Patent Office has been slowly shifting to such software related patents where technical effects or hardware integration is established. Nevertheless, there remains a gray area with respect to the patents on the standalone AI algorithms.

This ambiguity can deter the innovation and research of AI in India. This is why there should be more explicit patent examination guidelines concerning AI technologies.

### **Trademark Protection, Trade Secrets and AI**

Another area in which AI influences trademark protection and trade secrets is in artificial intelligence. AI technologies are becoming more and more helpful in creating logos, analyzing customer behaviour, managing brand names, and detecting the violation of trademarks. In the digital environment, AI-enhanced processes can be used to identify counterfeit items and objects resembling marks better, enhancing enforcement. These technologies enhance protection mechanisms against trademarks and consumer protection. protection of trade secrets has gained relevance especially in the AI industry as algorithms, source code, model architectures, and training datasets are often considered a restricted commercial asset. In India, there is no specialized statute regarding trade secrets; such protection is largely founded on contract laws and fair dealing.

Trade secret protection is often preferred by many AI companies over patent protection since the disclosure of patents can reveal commercially valuable information. Nonetheless, over-secrecy can deter transparency and accountability when AI systems have a considerable impact on the right and interests of the population.

### **Ethical and regulatory issues**

Currently, India does not have the comprehensive AI-specific legislation, which is similar to the EU AI Act. However, the policy initiatives, including the Responsible AI for All by NITI Aayog framework, highlight such values as fairness, transparency, accountability, inclusiveness, and privacy.

Another AI-related implication of the Digital Personal Data Protection Act, 2023 is indirect: the instances of personal data processing by AI systems often deal with massive amounts of personal data. The requirements of data protection in terms of consent, limits of purpose, and accountability affect the practice of AI development and deployment.

The ethical issues involved with AI include discriminations in the algorithms, surveillance, false information, deepfakes, prejudice, and transparency. Intellectual property rights overlap these issues due to excessive ownership of algorithms and datasets that enhance accountability and openness.

India is thus confronted with a tedious challenge of promoting innovations and balancing them with ethical control and protection of the interest of the people.

### **Comparative International Developments**

The international law advances can give India valuable guidelines. The European Union AI Act puts transparency requirements related to the AI training datasets and copyright considerations. Equally, the United States Copyright office asserts that to enjoy copyright protection, the work must be meaningfully creative by humans.

WIPO has reiterated that AI brings about crucial issues of ownership, responsibility, inventions, and monetary incentives in intellectual property regimes (WIPO, 2023). Comparative analysis shows that the majority of jurisdictions still retain the human-oriented principles of intellectual property law despite the gradual process of changing the existing legal principles to the technological changes.

India can have an advantage in living in a mixed reality that accepts the concept of AI-assisted innovation but preserves human responsibility and the protection of the public interest.

### **Recommendations**

India ought to work on extensive changes in the law that concerns AI and intellectual property.

To start with, the Copyright Act must specify the standards of ownership and originality of the works of AI generated or AI assisted. The legal status of internet generative AI outputs should be stipulated by the legislative amendments. Second, the Patents Act is meant to bring more clarity regarding the AI-supported inventions and software-related patents. The expectations to deal with AI technologies should also be advanced in patent examination procedures. Third, India must develop a clear regulatory framework that regulate AI training datasets, licensing requirement, and data mining practices. It is necessary to have such a framework that balances between innovations and the rights of creators. Fourth, the policymakers are advised to foster ethical AI governance using standards of transparency, mechanisms of accountability, and oversight of the algorithm.

## **3. CONCLUSION**

The main way AI has changed intellectual property in India is that it has changed the face of the IP. AI technologies bring massive benefits in terms of innovating, economic growth, and innovative expansion. At the same time, they threaten the traditional legal ideas of authorship, inventorship, originality, ownership, infringement, and responsibility. This paper concludes that India needs a flexible and equilibrium legal framework that can motivate innovation without hurting various creators, inventors, enterprises and the common interest. The importance of human-oriented principles of intellectual property, as a paradigm of the legal system, should not be neglected; however, to respond to the challenges of generative AI technologies, statutory changes are needed. Clear regulation of the governance system, global collaboration, and accountable AI will be necessary to guarantee the sustainable and ethical technological growth in India.

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