

[The Licensing Journal, The AI Hollywood Gold Rush Just Entered Its Lawsuit Era, \(Aug. 1, 2026\)](#)

The Licensing Journal

The AI Hollywood Gold Rush Just Entered Its Lawsuit Era

Robert Rosenberg

Robert Rosenberg is a partner at Moses Singer LLP, specializing in IP, entertainment/media and AI and data law. Rob also provides strategic advisory services to clients through Moses Singer's consulting platform, MS Strategic Solutions, where he serves as the Managing Director. Rob previously spent more than 22 years at Showtime Networks, where he held several senior legal and strategy leadership positions, including, most recently, Executive Vice President and General Counsel. Rob writes a free weekly Substack newsletter called The Technotainment Scorecard, which addresses topics at the intersection of law, entertainment and technology.

Studios, streamers, lawyers and producers spent the last two years asking whether AI could help make content faster and cheaper.

Now they're asking a much scarier question: "Wait... do we actually own any of this?"

For about five glorious minutes, generative AI felt like Hollywood had discovered a magic lamp.

Need concept art? Done.

Need a fake movie trailer? Done.

Need a younger version of an actor, a synthetic crowd, an AI-generated song, or a script rewrite at 2:14 a.m. because someone suddenly decided the ending should feel "more elevated but also more commercial"? Done, done, and deeply done.

Executives saw efficiency. Producers saw budget relief. Marketers saw infinite content. Startups saw venture capital money falling from the heavens like confetti at a Vegas residency.

And lawyers? Lawyers saw a category-five hurricane approaching at roughly 900 miles per hour.

Because underneath all the shiny demos and "Look what this prompt can do!" LinkedIn posts sits a gigantic unresolved problem: nobody fully agrees on what AI is legally allowed to train on, generate, imitate, reproduce, or replace.

Which means Hollywood has now entered the phase of the AI revolution where everyone stops clapping at demos and starts calling litigation counsel.

Welcome to the lawsuit era.

The AI Copyright Problem Nobody Can Quite Solve

Let's start with the issue sitting underneath almost every AI lawsuit currently crawling through the courts.

Training data.

AI systems do not magically emerge from the digital ether like enlightened silicon monks. They are trained on enormous amounts of material. Books. Articles. Photos. Movies. Music. Code. Scripts. Voice recordings. Internet posts. Probably your old Tumblr account from 2011 if we're being honest.

The legal fight boils down to a deceptively simple question:

Can AI companies use copyrighted material to train models without permission?

Tech companies largely argue yes. Copyright owners are screaming absolutely not. Courts are now trying to untangle one of the biggest intellectual property fights since Napster convinced an entire generation that downloading 14,000 songs overnight was a constitutional right.

And the answers are getting messy.

One of the most important recent rulings came in *Thomson Reuters Enterprise Centre GmbH v. Ross Intelligence Inc.*, 765 F. Supp. 3d 382 (D. Del. 2025), where a Delaware federal court rejected a fair use defense involving AI training on Westlaw headnotes. Fair use is the copyright doctrine that sometimes allows copying without permission when the new use is sufficiently justified. In plain English, the court basically looked at Ross and said: "You appear to have copied protected material to build a competing product. That's going to be a problem."

That case sent shockwaves through industries far beyond legal tech because it suggested courts may not automatically bless AI training as some magical innovation exemption.

The publishing world is watching *The New York Times Co. v. Microsoft Corp.*, 777 F. Supp. 3d 283 (S.D.N.Y. 2025), and related news-publisher cases for the same reason. In that case, the Times alleges that OpenAI and Microsoft used news content to train and operate AI products that can reproduce, summarize, or substitute for the original journalism. In 2025, the court allowed several major claims to move forward, which is lawyer-speak for: this fight is not getting tossed out early.

Meanwhile, two author cases, *Bartz v. Anthropic PBC*, No. C 24-05417 WHA, 2025 WL 1741691 (N.D. Cal. June 23, 2025), and *Kadrey v. Meta Platforms, Inc.*, No. 23-cv-03417-VC, 2025 WL 1752484 (N.D. Cal. June 25, 2025), are painting a more nuanced picture. Courts appear increasingly interested in distinctions that make intuitive sense even if the doctrine gets complicated:

- Was the source material legally obtained?
- Was it pirated?
- Is the AI reproducing protected expression?
- Is the model substituting for the original market?

Which means the legal answer may ultimately become the least satisfying phrase in the history of law school:

"It depends."

Hollywood loves ambiguity in prestige dramas. It enjoys ambiguity far less when billions of dollars are involved.

Congratulations, Your AI Mood Board May Now Be Exhibit A

A lot of producers still think of AI as “just a tool.”

That framing is becoming dangerously outdated.

Because AI is now touching almost every layer of the production stack:

- Development
- Writing
- Storyboarding
- Previsualization
- Concept art
- Localization
- Dubbing
- Marketing Voice replication
- Synthetic extras
- De-aging
- Post-production cleanup
- Animation assistance
- VFX iteration
- Audience analytics

And every one of those touchpoints creates legal questions.

Let’s say a creative executive uploads a screenplay into a public AI model to generate marketing ideas.

Did the platform retain the material? Can it train on it? Did you violate confidentiality obligations? Did you breach guild provisions? Did you accidentally expose unreleased IP?

Now imagine the AI spits out something suspiciously similar to another film franchise.

Congratulations. Your “quick brainstorming session” may now be Plaintiff’s Exhibit A.

This is why major studios and sophisticated companies are increasingly implementing internal AI governance rules that sound less like creative collaboration and more like nuclear launch protocols.

- No uploading scripts.

- No uploading unreleased footage.
- No uploading actor scans.
- No uploading confidential production documents into public systems.

Because once material enters certain systems, proving where it went becomes about as easy as reconstructing a glitter bomb after a toddler's birthday party.

The Human Authorship Rule Just Became Very Real

Here's the part many people still misunderstand.

You cannot simply type a clever prompt into an AI system and automatically own the result the way you would own a screenplay or original artwork created by a human.

The U.S. Copyright Office has repeatedly taken the position that copyright protection requires meaningful human authorship. Courts have reinforced that principle, including the D.C. Circuit's decision in *Thaler v. Perlmutter*, 130 F.4th 1039 (D.C. Cir. 2025), which held that AI itself cannot qualify as the legal author of a copyrighted work.

This creates a fascinating and slightly hilarious legal problem.

Hollywood spent years worrying about whether AI would replace writers and artists. Now some companies are discovering they may have trouble protecting purely AI-generated work in the first place.

That giant AI-generated franchise bible?

Potential ownership questions.

That fully synthetic marketing campaign?

Potential ownership questions.

That AI-generated character design package your startup paid six figures for?

Potential ownership questions.

Lawyers are now obsessing over documenting human involvement because "human creative control" has become the magic phrase keeping copyright lawyers employed.

Did a human select the outputs? Modify them? Arrange them? Edit them? Direct the creative process? Contribute protectable expression?

The more evidence of human creative contribution, the safer the footing.

Which means your random Slack messages debating whether the robot dragon should "feel more emotionally available" may someday become legally important documents.

Documentation of your creative process is key.

The Lawsuits Are Coming For The Characters Next

If the training-data lawsuits are about what went *into* AI systems, the next wave is increasingly about what comes *out*.

Studios are becoming aggressively focused on AI-generated outputs that resemble famous characters and franchises.

Because once an AI starts generating suspiciously familiar superheroes, wizards, animated sidekicks, or galaxy-saving space rebels, entertainment companies tend to transform into extremely motivated litigation machines.

Recent lawsuits involving Midjourney and other image-generation systems have escalated these tensions dramatically. In *Disney Enterprises, Inc. v. Midjourney, Inc.*, No. 2:25-cv-05275 (C.D. Cal. filed June 11, 2025), Disney and Universal allege that Midjourney can generate unauthorized images of studio-owned characters. Warner Bros. then joined the party in *Warner Bros. Entertainment Inc. v. Midjourney, Inc.*, No. 2:25-cv-08376 (C.D. Cal. filed Sept. 4, 2025), challenging alleged outputs depicting recognizable protected characters like Superman, Batman, Bugs Bunny, and others. Translation: the studios are not amused by machines casually remixing the family jewels.

And honestly, this was inevitable.

Hollywood tolerates many things: Confusing endings. Streaming losses. Three-hour runtimes about grief. The continued existence of twelve different versions of the DC universe.

But one thing it does not tolerate is losing control of valuable franchise IP.

Studios spent decades building global intellectual property empires. They are not about to shrug while an image model starts pumping out “Totally-Not-Batman-Man” wearing a legally distinct cape.

These cases could fundamentally shape how AI-generated visual content is regulated, licensed, filtered, or restricted moving forward.

Which is why producers using generative image tools should probably understand that “This looks close enough” is a very bad legal strategy.

For lawyers and producers, the practical lesson is simple: output risk is separate from training risk. Even if a court someday blesses some forms of AI training, that does not give anyone a free pass to generate, distribute, or market images that look like someone else’s protected characters.

The Voice Cloning Situation Is Somehow Even Scarier

Now let’s move into the category that truly terrifies talent representatives: Digital replicas, voice cloning and synthetic performances.

This is where the entertainment industry starts feeling less like Hollywood and more like a Black Mirror writers’ room fueled entirely by espresso and existential dread.

AI systems can now reproduce voices, faces, movements, accents, and speech patterns with alarming accuracy. A producer no longer needs an actor physically present to generate new dialogue, alter performances, dub scenes, or potentially create entirely synthetic appearances.

That raises enormous legal and ethical questions.

- Can a studio reuse a deceased actor's likeness?
- Can background actors be scanned once and reused forever?
- Can AI replicate a singer's voice style?
- Can contracts authorize future synthetic performances that do not yet exist technologically?

Welcome to the next decade of entertainment litigation.

SAG-AFTRA has been aggressively focused on these issues, particularly around consent, disclosure, compensation, and reuse rights for digital replicas.

And this matters far beyond A-list celebrities.

The legal exposure is not limited to Tom Cruise deepfakes or synthetic Taylor Swift songs floating around the internet like radioactive fan fiction.

- Commercial actors.
- Voice actors.
- Background performers.
- Influencers.
- Motion-capture performers.
- Localization artists.

All are potentially affected.

Because once a company possesses a high-quality scan, voiceprint, or motion dataset, the temptation to reuse it becomes very real.

Hollywood has always tried to maximize assets. AI simply transformed humans into one more category of reusable asset.

Which sounds dystopian because, well, it kind of is.

Producers Need Paper Trails

The practical reality is that entertainment lawyers are increasingly advising clients to treat AI usage documentation the same way productions treat chain of title.

Track everything: What tool was used? Who used it? What material was uploaded? What prompts were entered? What outputs were incorporated? What was modified by humans?

Because future litigation may depend on reconstructing creative workflows months or years later.

And unlike traditional production disputes, AI disputes can involve overlapping layers of copyright, privacy, publicity rights, contract law, labor agreements, and data governance.

A single AI-generated scene could theoretically trigger issues involving:

- Copyright infringement
- Guild compliance
- Likeness rights
- Defamation
- Trademark concerns
- Data usage restrictions
- Contractual approval rights
- Insurance exclusions

Suddenly that “quick AI experiment” starts looking less like innovation and more like a legal escape room.

Insurance carriers are paying attention, too.

Errors & Omissions insurers increasingly care about AI disclosure, AI usage policies, provenance tracking, and indemnification language.

Because nobody wants to discover halfway through distribution that a central visual element may have been generated using questionable source material scraped from somewhere deep inside the internet’s haunted basement.

The Industry Is Quietly Dividing Into Two Camps

One of the most fascinating shifts happening right now is the emergence of two very different Hollywood AI philosophies.

The first camp wants maximum acceleration. Move fast. Automate aggressively. Reduce labor costs. Scale content creation. Integrate AI into everything.

This group views AI as inevitable infrastructure.

The second camp is becoming much more cautious.

These companies still want AI efficiencies, but they increasingly care about defensibility. Licensed datasets. Closed systems. Private models. Auditable workflows. Rights-cleared training material. Human oversight.

In other words, Hollywood is gradually rediscovering the concept of risk management after briefly behaving like a casino guest who found free champagne near the roulette table.

And honestly, that transition was probably overdue.

Why This Matters Far Beyond Hollywood

Even if you do not work in entertainment, these cases matter because media industries tend to become testing grounds for broader legal frameworks.

The fights happening right now over AI training, synthetic voices, digital replicas, and authorship will eventually influence publishing, advertising, gaming, education, software, journalism, sports, and probably every other content-driven business on Earth.

Hollywood just happens to be where the stakes become visible fastest because entertainment IP is so culturally recognizable.

Nobody notices when an AI model reproduces obscure accounting language.

People notice very quickly when Batman suddenly appears riding a dragon through a fake Wes Anderson movie trailer narrated by a cloned celebrity voice.

Entertainment compresses abstract legal problems into instantly understandable cultural moments.

Which is why these lawsuits matter so much.

They are effectively stress-testing the future rules of AI creativity in public.

The New Hollywood Survival Skill

For years, entertainment executives treated legal clearance as something that happened near the end of production.

AI just blew that model apart.

Now the smartest producers are integrating legal analysis at the beginning of the workflow because AI risk compounds upstream.

One bad dataset decision. One reckless upload. One vague talent clause. One “temporary” AI voice test.

That may become the lawsuit everybody discusses at next year’s conference panel titled something like: “Generative AI And Why Everyone Suddenly Needs Better Contracts.”

The winners in this next phase will probably not be the companies using the most AI.

They will be the companies that can actually prove what they used, where it came from, who approved it, and what rights they secured.

Because the future of AI content creation is rapidly becoming less about pure technological capability and more about traceability.

Which sounds boring right until someone files a nine-figure lawsuit.

Then suddenly provenance becomes extremely sexy.

The Takeaway

Hollywood spent the last two years treating AI like a magic trick.

Now the audience is asking how the trick works.

And unfortunately for a lot of companies, the answer currently sounds something like:

“Well, we fed the machine enormous amounts of copyrighted material from unknown sources, generated outputs we may or may not fully own, scanned performers whose contracts were written before any of this existed, uploaded confidential materials into systems we barely understand, and hoped the courts would sort it out later.”

Which, to be fair, is a strategy.

Just not traditionally the kind that lawyers recommend.

[https://prod.resource.cch.com/resource/scion/document/default/\(%40%40PAA01%20WK-JSTORY20260801-3\)paa01c2b278c4736c4692b55c871961249a70?cfu=Legal&cpid=WKUS-Legal-Cheetah&uAppCtx=cheetah](https://prod.resource.cch.com/resource/scion/document/default/(%40%40PAA01%20WK-JSTORY20260801-3)paa01c2b278c4736c4692b55c871961249a70?cfu=Legal&cpid=WKUS-Legal-Cheetah&uAppCtx=cheetah)