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AI-GENERATED BRANDS: CREATIVE REVOLUTION OR LEGAL RISK?

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INTRODUCTION

AI is quickly changing the landscape of consumer behaviour and decision-making: From route optimization and investment to personalised movie and product recommendations, AI simplifies complicated operations and makes them more engaging for customers by utilising large data sets and sophisticated algorithms. Technology will not only simplify certain jobs but also change the way that customers engage with brands.

Trademarks have historically served as a reliable constant that most consumers rely on to represent the identity and quality of a product. Businesses used trademarks as a very potent tool for communicating with consumers. They provide clarity to help the consumer make decisions without conducting a never-ending amount of research.

Artificial intelligence has impacted the process of creating brands, particularly with regard to name and design. AI tools contribute to the modern branding process by making things easier and more effective. AI enables businesses to create distinctive, memorable, and market-relevant names and logos. The increasing need for creative branding solutions that appeal to various markets and consumers also goes hand in hand with this.

These businesses, no matter the scale, view AI as a simple tool that can analyse vast amounts of data and generate personalised results. But the growing use of AI in branding has also brought up a variety of legal issues pertaining to originality, ownership, and trademark infringement protection. All these legalities should be understood in order to avoid breach and protect intellectual property.

AI-Generated Brand Names

AI technologies for generating brand names include NLP and machine learning algorithms. Their findings suggest patterns in language, cultural variance, and market dynamics while developing brand names. For instance, machine learning algorithms can scrutinize popular brand names across industries and extract common characteristics to form new, catchy names. Meanwhile, NLP ensures the generated names are pronounceable, eye-catching, and resonate with the brand's character. Users can supply as much input as they need regarding their audience, industry, and tone. These recommendations are very connected to the brand's identity.

Advantages :

- Efficiency: AI can generate a plethora of plausible possibilities in a single second.
- Customization: They are designed using specified rules so that they can be applied.
- Creativity: The AI experiments with peculiar naming patterns, and the results are innovative.

Disadvantages :

- Similarity: There may be a conflict if the names made appear to be similar to certain other trademarks.

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- Lack of Human Touch: AI-generated names lack the emotional and cultural meanings that are essential to the branding process.Authorship: The ownership of an AI-generated name is uncertain.

AI Tools for Logo Design

AI technologies for logo creation will completely change the process of creating logos for businesses because they make it simple, affordable, and effective for businesses to create professional-looking logos. In order to guarantee that a user selects the colours, styles, and themes that they want, advanced algorithms will then generate a personalised design. In order to create a logo that is appropriate for the modern age and fits the brand's overall look, these tools assist in gathering inspiration from vast design databases and analysing trends.

Examples of AI Logo Design Tools

1. Looka - Looka is a user-friendly AI logo creator that creates original logos by combining user choices with its ability to create them.

How it works - Users enter the industry and desired company name. After that, they can choose their favourite font, colour, and style. Looka will use this input to generate hundreds of logo designs.

2. Logomaster.AI. - Logomaster.ai is the simplest way to generate and edit a logo without having any design skills.

How it works - The user has two options here: either to begins with a completely blank page and, based on his preferences, and then ends up choosing from over 100 templates. Based on all of these parameters, the AI generates logos in minutes, allowing users to finalize their designs in a matter of minutes.

3. Tailor Brands - Tailor Brands combines AI and machine learning to create automated branded solutions for entrepreneurs and small enterprises.

How It Works: Users enter their brand name, then answer a few questions to determine how they perceive things. Using this information, the system generates unique logotype designs for each customer. With these logos, the individual user can fine-tune them to create an ideal representation of their brand.

4. Hatchful from Shopify - Hatchful is a user-friendly logo creator aimed specifically for eCommerce businesses using Shopify.

How It Works: Type in a business name and select an industry. Hatchful then creates many logo styles for each business category. Then, choose a template and modify the colours, fonts, and layouts to fit your brand's personality.

Legal Challenges

Legal disputes regarding ownership and authorship of AI-generated content are complex and dynamic in nature. Proving originality and non-infringement is another major task in trademark registration involving AI-generated marks. During the application procedure, trademark applicants have to establish that their proposed marks are original and are not infringing existing trademarks. The nature of current machine learning methods is an obstacle in this area because they use large datasets that may already contain existing works. The likelihood of unconscious similarities between the new marks and the already existing trademarks increases as a result. For instance, upon generating a name for a brand or logo by an AI tool similar to that already in existence, the owner of the original trademark will then sue the applicant when the applicant himself has no intention of infringement.

The complexity is further enhanced by the fact that most AI-based machines create content based on patterns they have learnt and existing data, rather than coming up with something new. It is becoming increasingly difficult to determine whether content developed in this manner can be considered original, as we have given sufficient weight to the criteria of originality under copyright. In terms of

originality, it is critical to reconsider how existing legal definitions and standards could possibly be implemented in the present scenario.

Disclosure of AI Involvement

The growing importance of disclosing that a mark was created by an AI tool in the realm of trademark registration would also address issues regarding originality and authorship. As AI technology advances, the system's output becomes increasingly similar to human creation, potentially leading to confusion about the source of the work. Transparency is critical now as legal frameworks adapt to address the unique conditions of AI-generated content. For example, the European Union's AI Act requires full disclosure when AI is used, particularly in content creation, which soon may influence those practices worldwide[891].

Disclosure of the presence of AI can also assist in establishing ethical branding and marketing policies. By clearly indicating that a mark was generated by an AI tool, businesses can foster trust with their audience, demonstrating a commitment to ethical practices rather than attempting to obscure the origins of their branding efforts.

Distinctiveness is one of the fundamental requirements for trademark registration. It determines whether a mark can identify and distinguish goods or services from those of others. A mark understood to be automatically created may be perceived differently by consumers and trademark examiners. There may be the sense that an AI-generated mark lacks the touch and creativity of a human designer, which in turn impacts its ability to be distinctive.

Establishing a clear distinction between human and AI-generated work branding would help businesses in asserting actual ownership of original content while avoiding allegations of infringement.

Future Outlook And International Perspectives Of AI In Branding

The incorporation of artificial intelligence into branding and trademark law is transforming the legal landscape in significant ways. In fact, as the use of AI in business increases for generating content related to brand names and trademarks, courts are going to encounter even more difficult issues involving authorship, ownership, and infringement. On the most fundamental level, the question is: who owns the rights to AI-generated content, and how do traditional trademark rights apply to such creations? For example, when the computer generates the trademark, the concept of authorship that has long mandated use under the trademark right falls apart, bringing intellectual property rights into question.

Perhaps the most promising approach is to establish criteria for authorship rights of AI-generated marks. So far, trademark laws have recognized human creators as authors, which has caused issues in determining ownership claims over trademarks of AI systems.

In addition to authorship, the possibility of trademark infringement by AI-generated content may result in amendments to trademark law.

A notable case is the Walt Disney Company, which has concerns that AI-generated content may infringe on its trademarks. Users were using Microsoft's Bing AI engine to generate images similar to Pixar, which brought Walt Disney's attention to the possibility that these images would inadvertently generate the iconic Disney-Pixar logo. This consequently raises further questions, at least for trademark owners, regarding vigilance in protecting their intellectual property as AI technology develops and generates content that may unwittingly infringe on existing trademarks.

[891]Dabriwal V, "EXPLORING THE IMPACT OF ARTIFICIAL INTELLIGENCE ON TRADE MARK AND COPYRIGHT: CHALLENGES AND OPPORTUNITIES," vol IV <https://ijirl.com/wp-content/uploads/2024/05/EXPLORING-THE-IMPACT-OF-ARTIFICIAL-INTELLIGENCE-ON-TRADE-MARK-AND-COPYRIGHT-CHALLENGES-AND-OPPORTUNITIES.pdf>

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Another case is Lush v. Amazon, the court has censured Amazon for violating the trademarks of Lush. Through a bidding process, Amazon acquired the Google keyword "Lush" Additionally, Google uses the term "Lush" to reroute the link to the Amazon website when someone searches for it. Even if you search for "Lush" on Amazon, the website's artificial intelligence will recommend related products instead of Lush items. Even though Lush products are not for sale on the website, the AI product engine is recommending comparable items based on website keyword searches, which is blatantly illegal. Amazon is accountable for the infringement, the court said.

Conclusion

In conclusion, whether it is a creative revolution or legal risk only time will tell but for now the integration of artificial intelligence into branding and trademark practices is an exciting opportunity that raises enormous legal challenges. The more a business uses AI tools to build brand identity, the more pronounced are the complexities surrounding authorship, ownership, and infringement. Clearer rules and regulations, particularly those pertaining to AI-generated content, would have made more sense in light of the changing landscape rather than emerging out of nowhere.