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Chair: Lisa Hepfner

Standing Committee on Canadian Heritage

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● (1540)

[*English*]

The Chair (Lisa Hepfner (Hamilton Mountain, Lib.)): I call this meeting to order.

Welcome to meeting number 11 of the Standing Committee on Canadian Heritage.

Before we begin, I see that all witnesses are with us in person today. You can see that there are guidelines written on the updated cards on your table. These measures are in place to help prevent audio and feedback incidents and to protect the health and safety of all participants, including the interpreters. You will notice that there's a QR code on the card, which links to a short awareness video.

Pursuant to the routine motion adopted by this committee, I can confirm that all witnesses have completed the required connection tests, or they would have, had they been online today.

Please wait until I recognize you by name before you speak. All comments should be addressed through the chair.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, September 22, the committee is meeting to study the effects of technological advances in AI on the creative industries.

With us today, we have Eric Chan, also known as EEPMON, who is a digital, generative artist.

From the Directors Guild of Canada, we have Warren Sonoda and Samuel Bischoff.

From the Entertainment Software Association of Canada, we have Paul Fogolin.

Welcome to all.

You will each have five minutes, except for the Directors Guild. You can share your five minutes, but that's the time allotted for opening statements.

Mr. Chan, I'll turn it over to you now for five minutes.

Eric Chan (a.k.a. EEPMON, Digital Generative Artist, As an Individual): Thank you, Madam Chair and honourable members.

Before I begin, I'd like to acknowledge that in eight days, on November 11, we will observe Remembrance Day. As we discuss the future of creative expression, I am mindful that the freedoms we defend today were secured by those who served: Lest we forget.

My name is Eric Chan, known artistically as EEPMON. I'm a digital, generative artist and Library and Archives Canada's inaugural creator in residence. One of my generative artworks as a result of my residency, entitled *Constellations—The Flow of Belonging*, was featured at the Canada Pavilion at Expo 2025 Osaka. In January 2026, I'll hold a solo exhibition at the Embassy of Canada to Japan's Prince Takamado Gallery.

I appreciate the invitation to speak on AI's impact on creative industries. I have four points that I would like to address.

Number one is that copyright fights predate AI by centuries. Let's start with a simple truth: The tension between "copying to create" and "owning every fragment" is not an AI invention. Painters in the 18th century routinely copied master sketches in academia, sometimes stroke for stroke, before adding their twist. Jazz musicians riffed on standards. Hip-hop built empires on sampling. The only thing AI changes is scale, visibility and democratization of access. Suddenly, the same remixing logic that powered culture for 300 years is labelled "theft" because a machine does it in seconds.

Number two is that, speaking of speed, AI is the printing press of our era. Every leap in reproduction technology was called apocalyptic. Then it became infrastructure. In the 1400s, Gutenberg's press let ideas escape monasteries. Literacy exploded. Elites lost control.

In the mid-1800s, photography arrived. Painters hated it and panicked at losing their jobs: It's not art, it's a machine. Where portraits took months, it took seconds. Why paint when you can paint the perfect picture? Yet within decades, photography itself became fine art. In the 1960s, Andy Warhol's silkscreen studio mass-produced Marilyns and Campbell's cans on factory lines—exact copies of photos and corporate logos. Critics screamed that it was theft and the end of originality. Courts and culture shrugged. Pop art democratized symbols, putting soup-can art in the National Gallery of Canada.

Folks, AI is Decentralized Creativity 101. A teenager in rural New Brunswick can now generate album art, write lyrics or animate a short film without a $100,000 studio or a gatekeeper's blessing. That is accessibility, not piracy.

Number three is AI as a transformative tool for everyone. Yes, generative models train on public data, including copyrighted works, but so did every DJ who bought a vinyl crate, every painter who studied museum walls and every writer who read 10,000 novels. Let's be real: Design agencies have been right-click and saving my work for glorified client mood boards for years, calling it "research". The fair dealing provisions in section 29 of the Copyright Act already allow transformative use for research, parody, education and criticism. AI outputs routinely meet that test; it's only that it's supercharged.

I am a generative artist. I write code to create visual art. I prompt AI to optimize—i.e., to increase frame rates or reduce memory leaks. The art stays mine. The code evolves via open-source patterns. This isn't theft. It's collaboration with the collectivism of coders. We're not losing art. We're gaining a medium—code as brush and AI as assistant. Calling this stealing misses the point: The paradigm, like Blockbuster Video, has shifted.

Number four is bridging the digital literacy gap in creative practice. Surprisingly, when I share my digital generative art creations, people still ask me if it's hand-drawn. That reflex exposes a deeper digital illiteracy. We've used graphical software for decades, yet many equate "real" art with acrylic on canvas. AI reveals how outdated our cultural perceptions remain.

In closing, AI didn't break copyright. It didn't steal. It reveals that our current system is functioning as it should, only now with accelerated and democratized access, so that anyone can create and remix. That's not the end for creators. That's innovation and empowerment in action. Let's treat this moment as an opportunity like the printing press—as a beginning, not doomsday, for creators.

Thank you very much.

● (1545)

The Chair: Thank you.

Next, we'll turn to the Directors Guild of Canada.

Collectively, you have five minutes.

Warren Sonoda (National President, Directors Guild of Canada): Thank you, Madam Chair and members of the committee.

My name is Warren Sonoda. I'm a Canadian film and TV director and the national president of the Directors Guild of Canada. With me is Samuel Bischoff, our director of policy.

The DGC is a national labour organization that represents over 7,000 professionals working in film, television and digital media across this country, including directors, assistant directors, editors, designers and many others who give life to Canadian stories.

I want to thank you for inviting us to appear as part of your study on the impact of artificial intelligence on Canada's creative industries.

We are at a crossroads today, with a collective choice to make. AI is an existential crisis that we must be prepared for, and it's moving fast. We believe that the Department of Heritage can act now to establish clear rules, create guidelines and compensate for the slow pace of legislation. We must remember one thing: There is no culture without human creators.

A recent Harris study indicated that nine out of 10 Canadians are concerned about deceptive AI-generated content as it spreads misleading or false information. All of our members are concerned by the lack of guardrails around the proliferation of synthetic media.

This is not about stifling innovation; our members have always been innovators, but technological tools have historically been in service of or in support of human creativity, not to replace it. We are entering a dangerous territory. We risk using unethical AI tools and opaque algorithms while facing legal uncertainty.

Can AI-generated images, sounds, sequences or entire films be protected by copyright, which is the foundational economic pillar of our industry? AI may assist, but it cannot be the author. It takes the creative selection and arrangement of AI-generated elements by a human to curate, structure, sequence or combine them with other materials to potentially qualify for copyright.

We urge the government to reaffirm a simple but fundamental principle. The author of a work must be human, and directors and writers are the primary authors. The integrity of Canadian culture depends on it.

[*Translation*]

Samuel Bischoff (Director of Policy, Directors Guild of Canada): We join the other witnesses in condemning the massive extraction of creative works. It is a direct attack on the value of creation. Our works of art and stories are being used to train artificial intelligence systems, or AI systems, without consent, acknowledgement or compensation. That is why we are asking for the following principles to be adopted:

There should be no exception for text and data mining; the copyright framework is sufficiently flexible as it is.

Transparency should be mandatory when creative works are being used to train generative AI models.

The author's consent should be obtained for their work to be used to train AI, and they should be acknowledged and compensated, which means it should be an opt-in approach, not an opt-out approach.

Canada can become a reliable jurisdiction for the ethical use of AI in culture. This would attract talent and investments, and build trust in Canadian content.

What does AI competitiveness mean for the screen sector?

It means establishing clear rules based on transparency, which means using labels indicating that the content was entirely generated by AI, so that the public knows what it is dealing with. It also means a clear understanding that public funds are not to be used to support or promote stories entirely generated by AI.

AI governance should be integral to our cultural policy. Canada can become a world leader by creating a balanced AI framework that brings together the Department of Industry and Canadian Heritage. Building trust and encouraging innovation are not incompatible objectives.

● (1550)

[*English*]

Warren Sonoda: The federal government has gone to great lengths to protect and grow our cultural industry and the screen-based sector. We thank you for that.

We cannot fathom a future for Canadian and indigenous narrative sovereignty taken over by artificial intelligence. We must defend against it. Canadians do not want a purely synthetic world where the human story is lost. We must tell it ourselves.

We look forward to questions during the question period.

Thank you.

The Chair: Thank you.

Finally, we turn to Paul Fogolin from the Entertainment Software Association of Canada. You have five minutes, sir.

Paul Fogolin (President and Chief Executive Officer, Entertainment Software Association of Canada): Thank you, Madam Chair and honourable members, for the invitation to appear before the committee as part of your study on artificial intelligence in the creative industries.

My name's Paul Fogolin. I'm the president and CEO of the Entertainment Software Association of Canada, which is also known as ESAC. We're the voice of Canada's video game industry, which includes publishers, developers and console makers. Our mission is to ensure that Canada remains a world-class environment for creating, innovating and publishing interactive entertainment.

Canada's video game industry is both a cultural and an economic success story. It contributes more than $5 billion annually to GDP and sustains over 34,000 high-quality jobs. It's also export-focused, with 88% of the games made in Canada sold internationally, bringing our amazing games to audiences around the world.

The global games industry's revenue is at $260 billion and climbing. While this creates opportunity, it also leads to significant competition between countries to attract the talent and investment required to build a successful games industry.

Beyond economics, this is an industry of imagination. Studios blend art, technology, design and storytelling to create immersive experiences that reflect Canadian innovation and diversity.

It's also a proudly Canadian sector. According to a StatsCan report in 2022, almost 98% of all the game companies in Canada were Canadian-owned. Global companies also choose to invest here, employing thousands of talented Canadians to make some of the most successful AAA titles available on the market.

Artificial intelligence has been part of the video game process for decades. Players might encounter it when a computer-controlled character reacts realistically, when a game world adapts to player behaviour and when moderation systems help keep online play safe and welcoming. Some game designers use AI to optimize performance, generate environments, detect bugs and translate dialogue. These tools assist developers by streamlining more redundant tasks, allowing game makers to focus on the more creative and expressive elements of game development.

It's these elements that differentiate good and great games in this highly competitive global market. Electronic Arts, which is known for its sports franchises, like NHL and EA Sports FC, which are developed in British Columbia—I know we have some B.C. members here today—is using an AI-powered technique called "swish" in some of its sports games. Swish predicts how the fabric in a jersey moves across a character's body, making uniforms and player motion appear more realistic while also increasing the speed and quality of the overall game.

Safety and trust teams can also employ AI to support human moderators to detect harassment, cheating or security breaches in real time. For example, Activision's Call of Duty now uses voice chat moderation systems that employ AI to detect and enforce rules against toxic speech.

Some studios have also begun experimenting with generative AI. These tools can be used to create text, sound and imagery based on human prompts. Writers might use generative AI to draft early ideas for non-player characters', or NPCs', dialogue or quest lines—content that can total hundreds of thousands of lines in a given game. Artists could use it to generate quick visual references for background textures, so they can focus on the distinctive, handcrafted art that defines a studio's style.

For example, Ubisoft, creator of the popular Assassin's Creed franchise, which is developed in Quebec, is experimenting with generative AI to improve these NPCs. Narrative directors can now build a character's personality, backstory and motivations as a model, resulting in more natural interactions with players.

In all these examples, the human creator remains central. Video games are driven by imagination and protected by strong intellectual property rights. For our sector, IP is not an abstract legal concept; it is the product itself. Our members invest deeply in creating new IP—original characters, stories, worlds and technologies that showcase Canadian creativity.

AI is just one of the many tools that are helping studios explore new ways to improve production and efficiency. The authorship and the quality of the storytelling are all driven by human creators. It is critical, however, that these creators can use cutting-edge technologies, including AI, that enable them to tell better stories.

Looking ahead, our goal is simple. We want to ensure that Canada remains the best place in the world to make games—where creativity, investment and innovation thrive under a stable IP framework. To remain a leader, we need to ensure that creators have access to the most advanced technologies, including AI, so they can compete on that global stage that I referenced earlier.

Thanks once again for inviting me. I'm happy to take questions.

● (1555)

The Chair: Thank you to everyone for your very succinct and well-put opening remarks.

We'll now start our first round of questions, starting with Mrs. Thomas for six minutes.

Rachael Thomas (Lethbridge, CPC): Mr. Chan, my first question is for you.

In your opening remarks, you said that AI serves as "innovation and empowerment in action". In another post by you that I found, you said, "with [generative AI] pushing the technological needle further, I see every innovation as a tool to empower creators. I encourage artists to embrace the discomfort, learn new skills, and stay agile—you never know what fresh styles or breakthroughs you might uncover!"

I'm hoping that you can expand on this a bit with respect to the opportunity that exists with AI in terms of advancing the creative sector.

Eric Chan: One thing I've been sure of in my 15-plus-year career as a creator is that embracing the unknown is something everyone should be doing. Whether you're using data or code or you're learning a new skill, it doesn't even need to be AI. Get uncomfortable and you will realize the new serendipitous connections you make through your art with different stakeholders.

One thing I've noticed is that a lot of creators seem to want to be in their own silo or their own medium, but if you flip the script and look at the opposite end of the spectrum, I often find that's where the opportunity lies, especially when people disagree.

It has always been my mantra to explore something. If I'm feeling kind of uncertain and a bit jaded, I will ask, "Why am I feeling jaded?" Maybe I need to confront it and learn what it is about. Once I investigate and invest my time in it, I realize, "Whoa, I can actually do this, and it unlocks this. Wow." Then my mind is racing, and I say, "I can combine these things to create something even more to amplify and scale my work."

I just think allowing the unfamiliar and uncertain to be part of your creative process is what art is. Art is about democratizing your work, and not just with one particular medium. If you have the ability to expose as many people as possible to your work, I think that's part of embracing the unknown and really getting your work out there.

Rachael Thomas: Thank you.

In your opening remarks, you addressed copyright. That is a concern that's been expressed at this table by a number of witnesses who have come before us over the weeks. You made this statement, though: You said that AI is about "accessibility, not piracy". It would seem that you're somewhat dismissive of concerns around copyright, so I'm just curious, again, about the opportunity that is there versus the risk that is there.

Eric Chan: To be honest, I think we don't even need to look at AI. AI has really opened up more of a lens on what happened before AI came about. As I mentioned, a lot of people use my work as reference and as mood boards. That's the way it's always existed. It's always been like that through the test of time. Every creator is referencing another person's masterwork, artwork or masterpiece. Through that, it informs the way they move in the trajectory of their art form.

For me, personally, if that's the case, I honestly have to continue to create more work. I've got to create new artwork. It empowers me to keep on pushing my artistic envelope, and that's the way the universe is.

● (1600)

Rachael Thomas: I guess, then, as government considers where regulations should lie, there are two ends of the spectrum. One is to let it be a free-for-all and really not legislate at all, and then there's another side that would say a lot of legislation is needed in order to protect more traditional art forms and cultural forms.

What would you say to this committee about where a good place to rest would be in terms of legislating AI?

Eric Chan: To be quite frank, for me, I'm the creator; I create the art. That's a good question. I can only speak on my behalf as an individual as to what works for me and what I create. I hope that what I create is what I have to say and is my perspective of what I have.

I don't have all the answers to really help legislate it; I'm just showing my point of view as an artist in terms of what I've been using as innovation and creativity and what I reference from online to create my work. It's all part of the creative process.

Rachael Thomas: Am I understanding you correctly that there could potentially be a lot of harm done to creativity and the advancement of the cultural sector if it was legislated to too much of an extent?

Eric Chan: Honestly, for me, personally, I allow the exploratory aspect to let the artists explore what works for them. If there is too much control, that could stifle the innovation envelope. That's where I am, so it's a fine line.

Rachael Thomas: Thank you.

The Chair: Thank you.

Mr. Al Soud, you have the floor now for six minutes.

Fares Al Soud (Mississauga Centre, Lib.): Thank you, Madam Chair. It's great to see you as always, and thank you to our witnesses for taking the time to be with us. It's, of course, truly appreciated.

Universal Music Group has now signed deals with AI developers like Udio and Stability AI. Merlin has signed with ElevenLabs to create "responsible guardrails that showcase how AI companies and music rightsholders can collaborate."

Musixmatch has signed with Sony Music Publishing, Universal Music Publishing Group and Warner Chappell Music. It makes it the first company to partner with three top publishers. It's early now, but it's an indication of what we've been saying for quite some time at this committee, and what Mr. Bischoff was saying earlier. There's a balance to be struck.

Mr. Chan, your work at Library and Archives Canada as its first ever creator in residence explores how archival data can inspire new forms of generative art that connect past and future. I found this quote very interesting, "Data is my colour palette and paint is my keyboard."

This committee has often touched on this intersection between computer code, data science and expression. I imagine your work is susceptible to criticism or at the very least to skepticism.

I'm curious: Could you offer some thoughts on that potentiality? I get the sense you hear that fairly often.

Eric Chan: Yes, this medium is still misunderstood. It's digital, so a lot of people would say, "This medium is associated with digital art as a technology: copy and paste, copy and paste. However, where's the originality of it? How do I know it's one of one? How do I know if it's a series?"

There's this misconception of what this medium is about, but if you look around at the new generation, everyone is using these tools to create a medium. They're using their tablets. They're using computers to create. However, it seems that we're in this sort of same cyclic nature. Where does it fall in the world of fine art or the institution?

In this case, using data from Library and Archives Canada to create new work is a big win. It's innovation. It's really bringing digital art to the forefront. I would like to think that we are pioneering something new nationally and that we could also bring this forward on the international stage.

Yes, I hope that what I can provide as an artist is to break these barriers and show, through my medium, what art can be in the digital era. We're in a digital age now. There are going to be more people. I'm not the only one. There are many more generative artists like me everywhere. This is why we need to have the discussion today, in order to really learn more about it.

● (1605)

Fares Al Soud: That's fantastic. Thank you for that.

Mr. Fogolin, I grew up on video games and sports. Those were the two things that were there for the entirety of my life. I'd like to thank you and the folks in your space for bringing them together.

You represent one of Canada's most globally competitive sectors. I was at your Video Games on the Hill reception not long ago, so I will take a moment to say it was awesome. During one of my conversations, it was noted that video game studios are adopting generative artificial intelligence more widely, primarily as a brainstorming and idea generation tool.

From your perspective, how do you view the intersection between AI and innovation, and how do you believe they complement one another?

Paul Fogolin: First of all, thanks for coming to our reception, and thanks to others who were able to come. I encourage everybody on this committee to try to come next year. It's a great time. Also, if we're playing games, it's important to note that a players study shows that the average age is around 36. You're never too old to play games. It's fun for everybody of all ages.

To your question, our members are telling us, as I said in my opening statement, that artificial intelligence.... I'm always clear to differentiate between general AI and generative AI. Generative AI, of course, is newer technology, generating text, images and content. It is being experimented on by the industry. As you mentioned—you probably heard during conversations—and as I said during my opening statement, it's predominantly showing value in freeing up artist creators by doing some of the most rote or mundane tasks. For those of you who play an open world game like Assassin's Creed, these are massive games. The worlds themselves are huge and often very historically accurate.

One thing we always love to tell is that, during the re-creation of Notre-Dame Cathedral, the Government of France came to Ubisoft to ask for their plans, because they had all of the details, up to every inch of the cathedral, and they helped in the re-creation. When you're designing a game like that with buildings, basic textures, bushes and trees, having something that can help create those quickly, allowing the creators to focus on the player characters, the immersive environments and the stuff that differentiates, is a valuable tool, and it's evolving.

It's similar, as I said, in some of the sports games. I gave the example of the Swiss technology for jerseys, but EA and others are also using it for things like stadium designs. Electronic Arts publishes college football. It's a very popular title, and they have a stadium that is an accurate representation of every single stadium in college football. You could image that it takes a long time to generate, so they're employing AI to help them get the basics. You're talking the tunnels, the overall field and the look of the stadium. Then they go in and they augment it to make sure it's specific to the teams, the pageantry and the design. It's proven a very helpful tool.

Fares Al Soud: The gaming sector often leads innovation in interactive storytelling. My next question is plain. Do you think that Canada's cultural funding policies reflect that leadership?

Paul Fogolin: That's a great question. I'll tell you this: Canada punches above its weight in the game-making space. It's something our members are proud of and that we're proud of as an association. The fact is that we have over 34,000 full-time jobs. These are high-paying jobs; the average salary is over $102,000 across the country. Yes, there are hubs like Montreal, Vancouver and Toronto, but now you're seeing it in all provinces across the country, in places such as in Edmonton, Halifax and Winnipeg.

The Chair: Thank you.

I'm sorry; we're out of time for that, but I think you answered the question.

Paul Fogolin: No problem.

[*Translation*]

The Chair: Mr. Champoux, you have the floor for six minutes.

Martin Champoux (Drummond, BQ): Thank you, Madam Chair.

It's my turn to thank the witnesses for joining us today.

It's always instructive and interesting to get the points of view of the different cultural sectors affected by AI, this new reality.

Mr. Bischoff, we've talked a number of times, and again recently.

I'd like to know how your members feel about this AI thing.

Do they see it as something fantastic, a new tool they can use, or do they see it as something to worry about?

AI is causing a lot of concern, especially as it relates to copyright. I imagine you're worried about more than just the technology.

Could you tell us how your members see AI?

● (1610)

Samuel Bischoff: Thank you for the question.

To start with, I would say that members are very worried. It is one of the main concerns of Directors Guild of Canada members.

Like I said before, our members have always adapted to new technology. They use it.

I think there's a shift happening now with AI. This is a pivotal moment when we need to make a choice. I'm talking more specifically about generative AI.

When guild members use this tool, they need to be in control of it. Creative vision should always be protected. AI cannot be allowed to take control and replace them.

Martin Champoux: Directors have to adapt to new technology. That's nothing new. They've been doing it for the last fifty to a hundred years.

What is so worrisome about this new technology?

What makes it more threatening to your members than any other technology they've seen over the years?

What do you think, Mr. Sonoda?

[*English*]

Warren Sonoda: It's a really great conversation. I loved your reference to the Gutenberg printing press and how masters would copy other masters' work. Intrinsic to that, there was always a human element—someone had to put something in the press, and someone had to paint strokes that Da Vinci did beforehand. What we're talking about here, and I think one of the points we want to make, is that this is entirely different.

Here's the existential scenario I grapple with as a director in Canada. I direct TV shows like *Trailer Park Boys*, *Hudson & Rex*, *Murdoch Mysteries* and *This Hour Has 22 Minutes*. A platform, any platform, is available to a consumer. The consumer says, "I want to see a *Trailer Park Boys* episode starring my best friend Sam and my dog Scruffy." They want it to have a birthday party set in the parliamentary chambers we're in here. Then it creates that. There is no human authorship there.

It's like ordering a can of soup. You're talking about Andy Warhol's soup can. It's saying, "I want a tomato soup with a little bit of basil and maybe some pine nuts," and that is the output of it, but the human storytelling is lost. That's what keeps me up at night.

You talk about what we're worried about. Our gaming experts here know the rapid rise of how fast this is happening—it's exponential. This is not science fiction; this is coming. When we say we have to be prepared for it, this is what we're talking about.

[*Translation*]

Martin Champoux: It's very interesting that you referred to Mr. Chan's earlier comments about the printing press and the camera. Correct me if I'm wrong, but crafts didn't just disappear with those inventions, at least, not always.

You also talked about works that inspire others. Obviously, creators always reference other artists' works. Each creator references culture in their own way. That is how they create.

It's always been like that. We've often seen it in music. The creators of the song *Stairway to Heaven* were taken to court several times and accused of having copied part of a melody previously recorded in someone's basement. Up to a few years ago, the creators of the song *Hotel California* were dealing with the same thing.

All that to say that people have always had some recourse if they thought their work had been plagiarized. That isn't possible, though, with AI.

Would you agree?

[*English*]

Eric Chan: Well, I think with AI, regardless of whether it's a machine or a person using the tool, it's a new derivative work. Let's be frank: The artists will always be the artists, and it's not a substitute for the...if it's mimicking something. If anything, it actually amplifies.... "Oh wow, this is a parody of an episode of *Trailer Park Boys* or a riff off Andy Warhol's pieces." This whole parody aspect of it has been like that ever since. I would say that the fight between painters and photographers was huge. It was a big turning point.

My perspective is that I like to think new economies and new innovations are a result of this uncertainty, of these unknowns. That's why we're here today to discuss these things, some of which we won't even know until we are in it—the new opportunities that are a result of using these AI tools.

That being said, of course, we need to approach it in a way that.... That's why we're here to have these conversations. I agree that we have to address it head-on. I feel that to really clamp down on this technology would definitely stifle the innovation envelope. Meanwhile, our counterparts around the world are really accelerating it.

For the creative side, I think that's why I say the unknown and the unexpected—

● (1615)

The Chair: Thank you, Mr. Chan. Hopefully, we can get back to this question. We're out of time.

[*Translation*]

Mr. Généreux, you have the floor for five minutes.

Bernard Généreux (Côte-du-Sud—Rivière-du-Loup—Kataskomiq—Témiscouata, CPC): Your comments are very interesting, Mr. Chan.

I've had a feeling since the beginning of this study that there is a big gap between the two sides. People are very afraid of what AI will bring.

Others, like you, say that's life. Let's use AI. I feel as if we're reaching a balance. Directors have to adapt to change. You've always been able to do so, and I think, inevitably, you'll continue to do so.

You've just said that, when it comes to innovation, you have to learn to accept and use new things; otherwise, you miss out on opportunities. As you said, people innovate everywhere. Young people in their basements in the remotest parts of New Brunswick, maybe even in Mr. Myles's basement, are creating things and moving forward.

I'll ask you the same question I'll be asking the artists who will be appearing before us this week.

Can we really live without copyright or without some sort of copyright framework?

I see Mr. Sonoda nodding. Mr. Chan, could you answer first?

[*English*]

Eric Chan: Is that intellectual property?

[*Translation*]

Bernard Généreux: Is it possible to earn a living from intellectual property without a copyright framework?

Can artists make a living or will they be able to?

[*English*]

Eric Chan: If I understand your question correctly, I think it's the idea of using IP to create some parody work as a derivative. Is that what you...?

[*Translation*]

Bernard Généreux: There are copyrights to protect works when they're created.

Do you, as a creator, use copyright to protect your works, for personal gain? In other words, do you use copyright to earn your living?

Do you need copyright today? Do you think it will still be necessary five, 10 or 20 years from now?

[*English*]

Eric Chan: I think they can coexist. I've worked with brands, with IPs, on my own, without AI. Currently, right now, I'm using AI in increments to improve some of my codebase for my visual output.

I think they can coexist. I think that you let the markets decide, in a way, to see that perhaps the collaboration between IP and AI could come up with a new way of building an economy for the creative industry.

[*Translation*]

Bernard Généreux: If I'm not mistaken, you work at Library and Archives Canada.

You once said in an interview that our library and archives house an incredibly rich collection.

Through the use of AI, so tools you're using today, how could we leverage that collection for the benefit of all Canadians and the rest of the world?

Right now, it's a question of identity. Could those tools help us define our identity?

● (1620)

[*English*]

Eric Chan: I think so.

What's interesting is that with my experience at Library and Archives Canada as creator in residence, there's a wealth of data. There's a lot of stuff that's just tucked away that we don't know. It's hidden, but what data and the use of AI could do is bring this more democratizing accessibility to enable people to look at it.

Everyone could look at the pieces. It would be much easier for people to look at the art, based on using AI. Yes, why not? It's a tool. At the end of the day, for me, AI is a tool. Just like computer coding, AI is a way to express an art form. Why not use it to look at certain datasets and then express something out of it and create some new visual narratives about our cultural preservation?

[*Translation*]

Bernard Généreux: With AI, are you able to earn a living from your art?

[*English*]

Eric Chan: Yes. The thing is that being a digital artist—this is not talking about AI but digital—allows me to work in different industries: fashion, video games, visual art, public art, murals. My work is very diversified.

The Chair: Ms. Royer, you now have the floor for five minutes.

Zoe Royer (Port Moody—Coquitlam, Lib.): Thank you, Madam Chair.

Thank you very much to our witnesses for appearing here today.

The Library of Parliament outlines the policy divide between opt-in and opt-out regimes. The opt-in model requires creators' permissions before their work trains AI, and the opt-out model allows it automatically, unless they object.

Mr. Bischoff, you mentioned that the opt-in model would be preferable. Could you expand on the reasons that that's preferable to the opt-out model?

Samuel Bischoff: Yes, the reason is that authors should be able to consent to whether they'd like to opt in, and they should know what's in the public registries—when, in fact, their work will be used for training—so it would really be a disservice for authors and creators to only have access with the opt-out.

The opt-out—as we see is the case right now in Europe with the EU AI Act—has created a lot of issues, and most of the time it is very challenging, almost impossible, to understand how to opt out if your work has been used for training without authorization.

As the copyright framework stands, the opt-in is really the best option.

Zoe Royer: In practice, with that meaningful consent—opting in—how could a policy ensure that creators are credited and compensated when their work trains AI systems? What would it look like in practice?

Samuel Bischoff: I believe that, as laid out, it's in different steps. First and foremost, it's to require full transparency from AI systems and also be able to access some public registries.

With regard to opt-in consent from authors and in terms of licensing schemes, we believe that the industry is working its way to developing appropriate systems for licensing. We've seen some examples. For example, I would cite the company Moonvalley. It's actually providing a system that is trained on lawfully acquired copyrighted works.

Those are some solutions that the industry is working its way—

Zoe Royer: Thank you.

Mr. Sonoda, on the business of copyright, what I'm hearing is that we should double down or triple down, that we should not amend it to allow for data and text mining. Can you speak further to the importance of this?

Warren Sonoda: When we say "data", we are referencing works of art. We are referencing creative works that we make. That's the data we're talking about.

I just bumped into Mr. Myles, and I just want to say that *Inner Ninja*, his collaboration with Classified, has a fantastic video directed by R.T., one of my best friends. Let's say that someone goes out and prompts, "I want to see '*Inner Ginger*', with Mr. Myles and Classified, with red hair," and then it becomes a breakout hit. It gets all these views; it racks it up. Then, whatever platform the person prompted it on gets the click amount that they get. Where's the compensation in that? How is that protected under all the things we're talking about here?

You mentioned Universal Music and how it's working through these problems. I think this is the stuff that keeps us up at night.

That's, I guess, my answer to you.

● (1625)

Zoe Royer: That's amazing.

I think I have a minute left. Mr. Myles was mentioned. I wonder if he'd like to weigh in on that right now.

David Myles (Fredericton—Oromocto, Lib.): I think it's interesting, because you were talking about how parody is part of art, Eric, when you were speaking early—it was super interesting—and how it has been part of the history of art.

When we talk about parody, like the example Mr. Sonoda just mentioned.... When Weird Al does a song, he pays a licensing fee. It's not like it's an original song.

Warren Sonoda: This is when he writes a song.

David Myles: When he does *Amish Paradise*, Coolio gets money for that. It's not that parody hasn't been done before, but there's a licensing agreement. There's a way to do it in which the original creator gets money. To equate the two might be.... As a history of something that's been happening, yes, it's been happening, but it's happened on the back of a licensing system that respects the original creator and the original copyright.

I don't know if you have anything to say to that.

Warren Sonoda: I appreciate that, Mr. Myles.

I also want to talk about economies of scale. I just followed Eric on his Insta. You should too. It's really cool. He does amazing work.

You referenced $6 billion for the gaming industry in Canada. Was that the number?

Paul Fogolin: It was $5.1 billion.

Warren Sonoda: It's $5.1 billion. The Canadian screen sector, the media sector, is $11 billion. I just wrapped *The Trades* on Crave TV last Friday. I came back on Saturday to watch the Jays be two outs away. I got on a plane and came here. In the midst of that, we employed over 100 people on this television production—really good, talented Canadian artists and craftspeople. Our number one is Robb Wells, who plays Ricky on *Trailer Park Boys*.

The Chair: We are over time for this question, if you could just wrap it up. We want to hear your point.

Warren Sonoda: When we talk about all the things we're talking about today, let's not forget that this is a huge economic driver for Canada. Constituents in all of your ridings work in this industry, whether it's film and television, gaming or art. Let's not forget that that's what we're also protecting.

The Chair: Thank you.

[*Translation*]

Mr. Champoux, you have the floor for two and a half minutes.

Martin Champoux: I couldn't agree more with what Mr. Sonoda just said. I worked in television for a long time, and humans are what makes this industry so rich. I don't think the value of human creation will disappear from television or production as a whole anytime soon.

Mr. Fogolin, I met last week with people from the video game industry, and it was a very interesting meeting. It's a very strong industry in Quebec, so we know about it, but I learned that it's also strong in other parts of the country. It's very dynamic. You just referred to the industry's $5.1-billion contribution to the economy.

I imagine your industry uses AI a lot. I mean, it's video games, so presumably, AI is welcomed and widely used.

That said, are jobs held by humans under threat because of AI in the video game industry?

[*English*]

Paul Fogolin: Thanks for the question, and thanks again for meeting with our group last week.

What my members are telling me about AI and how they're using it is that it's actually caused a net increase in employment, because you need those creators. They are essential, and not just in our industry. We work with members from film and television. They work with artists. We want to be able to hire people like Eric to work on games. In addition to that, they're needing to hire AI experts for things like AI ethics, for data mining, for large language models. That's adding a whole new layer.

A lot of our members are working closely with academic institutions, many of them in Quebec, such as UQAT and Université de Montréal, as well as UBC, on AI and partnering. We see it as a net benefit and something that's going to be helping to drive those jobs and increase opportunity.

● (1630)

[*Translation*]

Martin Champoux: Are there video games out there entirely generated by AI?

[*English*]

Paul Fogolin: To my knowledge, they do not. Everybody is talking about AI slop in visual mediums. Do those games exist on some platforms? Possibly they do, but not on our member platforms.

That's why I wanted to make the point very clear in my opening remarks. This is a highly competitive industry. Thousands and thousands of games come out every year. Especially when you're talking about AAA titles that take three to five years to make, the expectations of players are high. Anybody who plays games wants the best graphics, the best sound and the best stories. That human touch is going to be essential. That's the differentiator. General AI.... Again, early-stage generative AI is a valuable tool, but beyond that, you need that human touch.

[*Translation*]

Martin Champoux: Mr. Bischoff, is—

The Chair: Your time is up, Mr. Champoux. I apologize.

[*English*]

Mr. Waugh, you have the floor for five minutes.

Kevin Waugh (Saskatoon South, CPC): Thank you for being here.

Yes, you do need the human touch.

We just finished the World Series. Trajekt Arc, a product from a company out of Waterloo, had a big factor in the World Series, and everyone is wondering how that happened. It was an AI pitching simulator. The Blue Jays had a 22-year-old, a young pitcher, Trey Yesavage, whom nobody saw. His trajectory was above where a pitch would normally begin.

Joshua Pope, who is from Waterloo, projected the pitching simulator and started selling this to Major League Baseball, if you don't mind. The Dodgers sent every one of their hitters a video of Trey Yesavage with this simulator. It didn't help them. He still struck out 12, but maybe it did help them on Saturday night when they got a run off him.

Mr. Fogolin, you mentioned 34,000-plus jobs in this country. After watching the World Series, everybody went to Waterloo and did a story on the Trajekt Arc. As you said, you're looking at stadiums, but now I am looking at an innovation, a creative innovation, by a Canadian company that has changed Major League Baseball, how they go forward. Can you talk about that?

The Yankees didn't have that pitching simulator. When we first saw him in the dugout, we wondered how this guy was doing that. Then the Dodgers learned from that.

AI is coming. It's already here. In fact, I'm going to mention ABS, or the automated ball-strike system. We all question the umpires behind the plate, but that's going to be AI generated. Talk about this, if you don't mind.

Paul Fogolin: Do you want me to talk about it from the perspective of video games and entertainment software?

Kevin Waugh: From a video game view, yes.

Paul Fogolin: I love the question. First of all, the wounds are soft for the Jays loss, so seeing Warren's hat gives me mixed emotions. The boys did a great job, though, and we should all be happy that they gave us so much joy.

I am glad that you mentioned the technological innovations in this country. A lot of the technological innovations come from spinoffs from game design technology. In particular, ESAC authored a report a few years ago, called "Beyond Entertainment". While we didn't look at that technology in particular, we had myriad case studies of technology that's been developed in the video game process and that's being used at children's hospitals, by mental health experts and in the education process.

I think these kinds of developments are going to be essential, not just to making cutting-edge entertainment software but also expanding to other areas.

With technology like the one you mentioned, the video game development process has a role to play in creating these sorts of new technologies. I don't mean that particular one—I don't like to hear that it maybe helped our opponents—but in all seriousness, we're in the entertainment business. It's in our name. However, there are some serious, non-entertainment benefits that come from the technology that the industry spurs. It's because of that massive audience for games made in Canada that we and our members have the opportunity to invest in these technologies.

● (1635)

Kevin Waugh: In your opening statement, you said, "safe and welcoming". I'm looking at the ESA website, and it says, "AI is an invaluable tool in protecting players and promoting safety." How are we doing it in Canada? You did mention it off the top.

Paul Fogolin: Thanks for bringing that up. I mentioned the content moderation tools and player safety. Our industry is very proud of our shared value on player safety. It's not a competitive issue in the video game industry. All our members agree that player safety is paramount.

Whether it's a console, like a Nintendo, an Xbox or a PlayStation, or whether it's the games themselves, a lot of games are social. They're online, whether it's large sports games or action games. There is a myriad of them. These have chat functions, and they have communication tools.

Our industry has wonderful parental controls, tools that you can use to set settings, to limit who players can talk to or to limit play time. Live chat moderation, though, is a little more difficult. You can imagine, if you're on a headset, talking in the middle of the game: People can say some pretty offensive things. With a tool like AI—I mentioned Activision Blizzard with Call of Duty, and I know it's been used by Riot Games in Valorant—they can use it in a very quick fashion to catch potentially toxic language, which helps to add another layer to that overall perspective on player safety.

Does that help to answer your question?

Kevin Waugh: Yes.

Thank you very much.

The Chair: Thank you, Mr. Waugh.

[*Translation*]

Mr. Ntumba, you have the floor for five minutes.

Bienvenu-Olivier Ntumba (Mont-Saint-Bruno—L'Acadie, Lib.): Thank you, Madam Chair.

Mr. Chan, you said you don't want a law, because it would limit what could be done.

Meanwhile, Mr. Bischoff thinks clear rules are needed.

Really, there are two schools of thought. You liken the impact of AI to the impact of the camera when it was invented. At the time, some artists saw the camera as an instrument to imitate art and thought it would be the end of artwork creation. Other witnesses are saying the opposite.

What do you think?

[*English*]

Eric Chan: Can you ask that question one more time?

[*Translation*]

Bienvenu-Olivier Ntumba: How do you see the impact of AI tools compared with that of the camera when it was invented?

What's different today?

[*English*]

Eric Chan: Yes. I think what was happening was that there was this new technology coming in, and it was like it was going to replace all painters. Everyone was in hysteria and freaking out about this machine that could basically snap and paint a portrait within seconds.

I think there was a lot of misunderstanding about what this tool can be. Any sort of disruptive technology that comes in.... I mean "disruptive" in a positive sense, in a way that progresses the creative envelope.

I feel that this is sort of the same cyclic nature of how society is reacting with this new technology. A lot of people are scared. A lot of people are perhaps misinformed. Also, there's a lot of uncertainty. At the same time, for me personally, as an artist, I'm an individual artist. I'm on my own. I create. For me, I find it empowering, because, as I said, when I have this tool—I see it as a tool—what can I do? How can I learn from this? How can I grow my artistry and explore new ways of creative expression?

That's why I think there are similarities. There was a big fight between the painters and the photographers, and for artists today, again, I think this new tool is creating this new rift, but I'm an optimist. I feel that as an artist. I've been using it in certain cases, and it opened up some new prospective avenues where I can grow my creation with this tool.

● (1640)

[*Translation*]

Bienvenu-Olivier Ntumba: Mr. Bischoff, what do you think?

Samuel Bischoff: I would like to comment on the copyright framework, since we've been talking about it for a while now.

I think we're hearing a false dichotomy between introducing regulations and having a copyright framework. Artists and authors have benefited from this framework for a long time. Creators are already experiencing losses and turmoil, but their losses would be a lot worse if text and data mining were allowed.

I'm speaking for the audiovisual sector, obviously. It's a false dichotomy to contrast accessibility and piracy, because the objective of the copyright framework is to support creators and artists for the time they put into their works. It reminds me of what happened a few years ago with the Napster platform.

It is undeniable that works are being plundered, their value is being stolen or lost. We've actually talked about the devaluation of the act of creating.

That's why a comparison shouldn't be drawn between safeguarding rights and author ownership and introducing regulations to slow down AI development.

Bienvenu-Olivier Ntumba: Mr. Fogolin, is AI changing the economic model of digital platforms?

[*English*]

Paul Fogolin: In what way? What do you mean by transforming economic models?

[*Translation*]

Bienvenu-Olivier Ntumba: Is the advent of AI transforming the economic model of digital platforms?

If so, will that transformation be irreversible?

How do we deal with that?

[*English*]

Paul Fogolin: My members have seen that AI is a tool, both general AI and generative AI, that is being used—not by everybody, but by a number of studios—in the creative process, and it's been, at least thus far, a valuable tool that's allowed them to free up creators, to enhance works and to make the games that are played by millions around the world.

The Chair: Thank you.

Mr. Diotte, you're up next. You have the floor for five minutes.

Kerry Diotte (Edmonton Griesbach, CPC): Thank you very much, Chair.

I think everybody here will agree that this is a really fascinating topic, and you're all experts. One of the perks of this job is being around smart people like all of you and learning something. I think everybody would agree with that.

It seems to me that there is a bit of a chasm between Mr. Chan and Mr. Sonoda. Maybe he's not a Blue Jays fan. I don't know.

On the one hand, I think everybody would agree that we don't want to stifle creativity, but maybe we don't want runaway craziness, with nobody getting credit for anything.

I'll start with you, Mr. Sonoda.

What would be the worst thing that government could do on AI policy?

Warren Sonoda: The worst thing to do is nothing. I think the time to act is right now.

We've outlined the things that we are looking for: no text or data mining, respect for Canada's copyright and moral rights framework, inclusion of creative guilds and organizations, and talking. We need to get you guys talking with Innovation and the Minister of AI with transparency. We've put all these things forth in our written submission.

I agree that discomfort is important. Some of the best times on set are when I don't know what the scene is, and it's supposed to be funny, and it ain't funny, so where is the funny? You have to find that. It's discomforting.

I think, Mr. Waugh, you gave a great example of this pitching machine software. It's a great tool. We're not replacing Trey Yesavage. He's a human being who pitches at 100 miles an hour. He's putting his heart into it. You have a manager who is going to die for his teammates. These are all human aspects.

I'll let Mr. Chan speak for himself, but again, there is a different scale in what I'm talking about in terms of film and television when I'm on set with 100 people, and you're creating stuff, and it's your voice. My voice is filtered through so many other humans, and that's what makes it more rich. When we talk about indigenous and Canadian narrative sovereignty, it's the storytelling that I get to participate in, like my fellow directors and writers and the actors who are in front of it.

What if Trey Yesavage was a synthetic AI creation? Again, that's what keeps me up at night.

● (1645)

Kerry Diotte: I'll ask you to answer that same question. Basically, what's the biggest mistake governments could make with the regulation of AI?

Eric Chan: I have to agree with Warren. If you do nothing, then nothing will come out of it.

For me, if there is a really huge clampdown on the way creators can freely express themselves with whatever tool they use, then I say that just stifles the creativity envelope, honestly. I use AI as a tool. I am a human being, and I am the one creating. I'm prompting it, and I'm using it to create and generate certain things only when it is, for me, needed and it works for whatever the particular application is.

I just think that the wrong thing is to really put a harness on this thing and not let anyone.... Like, if you do this, there's a red flag.

I think innovation is about getting into the thick of it, embracing the unknowns and the uncertainties and letting the markets.... What I mean by markets is people engaging and using the serendipitous aspect of the creative envelope, using these tools, to see what rises and what falls. Let it just naturally take its course, of course not having all-out craziness. That's why we're here to have this conversation.

Kerry Diotte: I'll just throw this out to whoever wants to jump in first. Is there a best practice anywhere in the world on AI regulations and so forth?

Samuel Bischoff: We just talked about legislation. Maybe what I'd like to add in terms of timing is that we know the time of legislation is not the same as, for example, the Department of Canadian Heritage setting some guidelines and ground rules on AI or, specifically, on generative AI. There are examples internationally. For example, I believe, looking at the committee's example of France, the minister of culture there has published some AI guidelines. We believe it would be very beneficial to have clear rules. Having them is knowing what is purely AI-generated versus not, and also making sure that public funds support creation that is human-made and not, as we call, synthetic.

The Chair: Thank you.

Mr. Myles, you have the floor now for five minutes.

David Myles: Thank you, Madam Chair.

Thanks so much to all of you for being here. As the member opposite, Mr. Diotte, was saying, it's really nice to be in the company of such a healthy discussion.

I don't think there's as much of a chasm as was suggested. I think where we're recognizing the difference is when AI is used as a tool and when it becomes the creative force itself. We keep on coming back to this. I think part of the challenge of this committee is finding a place where AI lands, where we're not stifling it as a tool but still incentivizing human creation and using it as a tool so we can move art forward. I think you're right. Artists are innovative. They want to move forward. They will use the tools.

Mr. Fogolin, you were speaking of the idea of how it's been beneficial to your business as a tool, but at the same time, in your introductory statement, you said that IP is our asset. It is crucial.

I think we need to dig into this, because what we need to figure out here is whether copyright and licensing hinder AI's use as a tool, and if it does, how it does that. I think that's what we're really trying to get at.

● (1650)

Paul Fogolin: Can I speak first to this?

The Chair: Sure.

Paul Fogolin: To use the baseball analogy, I'm like the pitcher itching to get into the game on this question.

Yes, you rightly point out that IP is central to our industry. It's the foundation of all the work we do. To the question that MP Diotte had previously about what would be a bad thing to do, scrapping the Copyright Act would be bad, from our industry's perspective. This is essential.

I think we may differ from some of the other witnesses today. To use the Goldilocks analogy, we may be somewhere in between, where intellectual property rights are essential.... We heard from our members. I think it was in November 2023 that ISED led a copyright in AI consultation. I might have the actual timeline. They came back loud and clear and said that the Copyright Act is essential to the work we do.

We don't think a legislative change is necessary at this time. The act was designed with technological innovations in mind. Whether it comes to liability or infringement, there are adequate mechanisms in common law doctrines and in the courts to let this play out at this time. Years from now, maybe we revisit it. I do want to make sure it's known that IP copyright is essential and hugely important for the video game ministry.

David Myles: Thank you.

Everybody can take a turn. I think it's an important thing to discuss.

Samuel Bischoff: Again, I would second that on copyrights. The copyright framework, as it stands, is technology-agnostic. It's been working very well. Our whole screen industry's foundation is based on copyright, so when directors and writers develop a work, that copyright travels in a chain of rights to producers and to distributors, and for the exploitation of these creative rights, of course, more rights are attached.

We find that that legislation works very well as it stands. What still needs to be top of mind is what is copyrightable, if AI is being used. We have a test in the Copyright Act in terms of originality, skill and judgments, but then, when we interact with an AI output, what exactly happens and how much transformation does it take to ensure that it is copyrightable?

Warren Sonoda: Can we not do both? Can we not do the same thing on both sides? Can we not spur innovation and also protect the creators? Would it not be great if you were compensated for your work if it were mined?

As a director, I assign my rights as a director over to a producer. I'm paid for that. I'm paid very well for that, but I've spent 30 years directing for the ability to do that. What we're talking about are the good-paying jobs that are in the balance of whatever is decided by this committee in terms of the $5.1 billion or the $11 billion and all across the board. These are Canadians doing really good work trying to make and tell the Canadian story. I'm wondering if we can't do both at the same time.

Eric Chan: I don't think anything needs to be changed, because it's working as it should, as I mentioned. May I say, though, that if there was anything we could do here, if there was a compensation thing we could create, then maybe this would be an opportunity to look at new technologies—perhaps blockchain. There's something we could look into in terms of enabling decentralization, cutting out the middle people and then compensating artists. If there is a way to gain access to what AI is using...but this is a new playground. It's a whole new realm of discussion.

That's how I feel.

The Chair: Thank you.

[*Translation*]

Mr. Champoux, you have the floor for two and a half minutes.

Martin Champoux: Thank you, Madam Chair.

This is a really enlightening discussion.

Mr. Bischoff, we want to save jobs. We want to save human talent in all the cultural industries. We also want to preserve copyright management. We want to help artists and rights holders get what they deserve.

Also, as you said earlier, we especially don't want to hinder the development of a tool that everyone wants to use, responsibly, of course.

Nevertheless, we too have to contend with the fact that these big tech developers are foreign-owned, usually by the Americans, sometimes by the Chinese.

We will forever be battling a giant, will we not?

Do we even have a chance of winning?

Do you think it's possible for Canada to bring in legislation or a regulatory framework that will allow everything we want to allow, but not prevent what we don't want to prevent?

● (1655)

Samuel Bischoff: Yes, I absolutely do.

I think it is possible to develop a framework to manage this. Principles around that are actually emerging, ethical and responsible AI, for example.

As you mentioned, cultural sovereignty is a real concern, and it gives rise to some pretty fundamental questions. It's important to clearly identify what it means to control our stories, our viewpoint. It's important to know what the databases are trained on and the types of creative works we are talking about.

Martin Champoux: The digital giants that develop these technologies have no desire to get bogged down in details and worry about things like our Quebec francophone culture, or our Quebec or Canadian identity. They want to keep moving. They don't want to have regulations get in their way.

How do we get them to work with us, to understand that many parts of the world have different realities?

Samuel Bischoff: You need clear requirements that ensure transparency around how the AI systems work. It goes beyond creative industries, as we are seeing. The risk is there.

Martin Champoux: Canada can't do it on its own. Everyone has to join forces.

Mr. Sonoda, I can see you'd like to jump in, so please go ahead.

[*English*]

Warren Sonoda: You support Canadian voices is what you do. You double down on the talent here. There are four of us, and there are four million behind us who are talented and can do many, many different things.

What can we do? We can make sure that safeguards and all these different things that we put forth as suggestions—that you can do right now with this committee—get implemented, so that we are protected and I can continue to tell stories and Eric can create art and Paul can make phenomenal video games. We need those safeguards in place.

[*Translation*]

Martin Champoux: Thank you very much, gentlemen.

[*English*]

The Chair: Mrs. Thomas, you have five minutes.

Rachael Thomas: Awesome. Thank you very much.

Mr. Fogolin, I'm going to ask you a couple of questions and more on wanting to dig into the specific economic opportunity that AI presents to the gaming industry. With AI driving new efficiencies and creative possibilities, what kinds of economic potential do you see in that?

Paul Fogolin: One of the reasons I shared that statistic in my opening remarks—the $260-billion global market for games and rising—is that I wanted to impress upon you that this is a growth industry, but also that it's highly competitive. In order to meet that demand and to be a country that continues to be one of the best.... Look, I'm fortunate enough to do a lot of work with colleagues internationally, with other associations like ours, in Korea, the U.S., Europe, etc. When we're together, they always say, "Hey, Canada, you guys are doing something right." It's a combination of our policy framework and the supports that are available.

To your question about AI, again, some of these tools are in the nascent stages on the generative AI side, and some have been used for over a decade. It's just part of a more robust tool kit that allows our creators to do the best work they can. Again, limiting the ability for creators to access these tools, to experiment with these tools, all within the auspices and confines of the law and the legal framework, would be a challenge for the industry and perhaps for further opportunity for growth.

Conscious of time, I remember that there was a witness last Monday—Dr. Kearney was her name—and I thought her testimony was fascinating. She's obviously way more of a technical expert than I am. These technologies can be used not just by the larger companies, but by indies, by smaller studios, to help them develop games in a more affordable way. I think that's an important part of telling our Canadian story, as we were talking about. There's some real opportunity.

Rachael Thomas: I think you touched on something really important there, and I want to give you the opportunity to expand on it.

That is, when we have these conversations around Canada's arts and culture sector and how AI impacts it, we have to remember we're part of a global society. Those who are producing here in Canada are competing not just among themselves under the rules of this country but globally, with other creators in other nations with other rules.

As we, as legislators, consider making those rules and making sure that we're giving you folks greater opportunity to compete and win, what do we need to account for in terms of that global picture?

● (1700)

Paul Fogolin: Yes. Thanks. I'm really glad you asked this question. It picks up on a question that MP Diotte was asking earlier about global comparators.

My members haven't said to me, "This country is doing it right and let's copy them." What they have said to me is what you've mentioned: Our industry is so global. I mentioned the statistic that 88% of all the games we make in Canada are sold around the world. What's also neat is that because the industry is predominantly digital, with the click of a button you're on a digital storefront; you're on your phone or you're on your console. You can do so tariff-free, might I add, anywhere around the world.

These companies operate with global perspectives, so when you're thinking about any potential policy change, any regulations legislation, please look at what's happening elsewhere—I know you do as part of the process—and try to align with others. Being a first mover can have its advantages in some spaces, but in this space, because of the global nature of our business and others, I think it's essential that you look at what's going on around the world.

The other thing I'd say as well is that if we were to do something that stifles creative access to these technologies, it could put us at a disadvantage, because of how competitive the industry is. Because of how eager our members and creators are to use these tools, we want to make sure that they're able to do so.

Rachael Thomas: I appreciate that. Thank you.

I guess I'm curious as well to lean into that a little more. How can the gaming sector, but also other sectors—maybe even learning from the gaming sector—lean into AI for that economic competitive advantage?

Paul Fogolin: As somebody said, we're all smart here today. I don't feel equipped to speak for other sectors, but definitely for the video game sector, one thing is that our industry has been at the forefront of this unique marriage of tech and art. Oftentimes, because of that, we don't necessarily know where to find a home in government when we're talking. Is it ISED? Is it Heritage? Without leaning into the technological advances, we couldn't be where we are in Canada as a global leader in making games.

It's funny. In preparing for this, I was thinking about Nvidia. Everybody knows about Nvidia. Is it the largest company in the world for AI? It's one of them. What did Nvidia do for most of its existence? It made graphics cards for PCs, cutting-edge graphics cards. They iterated on that, and they were some of the best in the business.

Our players are always looking at tech. They're looking at innovations. Is this game faster? Is it more immersive?

Again, to your question, AI is just part of the broader tool kit, whether it is new engines for games or new ways to incorporate the works that musicians are doing, like motion capture. You're probably all familiar with motion capture. You put the suits on and you're able to get realistic movement. AI is actually helping to make that process smoother and more realistic. In being able to correct some of the things that would take hours, it makes them smoother and more realistic. It helps with the development pipeline and helps creators make games more quickly and more efficiently.

Rachael Thomas: Thank you.

The Chair: Mr. Myles, it's over to you, for five minutes.

David Myles: Thank you, Madam Chair. I have so many questions.

I want to speak a bit to this idea of innovation. I would argue that the film industry has also leaned into innovation wherever it can, as visual arts. Mr. Chan has been speaking and is a great example of someone who's leaning forward into all of these things.

One thing I've admired about the video game sector, and we talked about this a couple of weeks ago as well, is that it has remained monetized in a way that other sectors haven't quite experienced.

What's been the key for you to have maintained control of your IP? It hasn't really suffered the same effect as some of the piracy that we've seen in other sectors. What's been the key to that?

Paul Fogolin: That's another great question. They're all good questions today.

Again, the games industry is super competitive. What we've seen in the last number of years especially is the proliferation of digital distribution and a number of digital storefronts. It used to be that you had to go to the store. You had to get the box. That's still an important part of the industry, the physical retail space. Now, developers and publishers can get their games to a wider audience, as I said, at the click of a button. Those are your AAA titles that are full price, but it's also for our smaller creators.

I mentioned those Canadian studios. Some of them have one to five people working in basements, garages or wherever, and they're able to do so. They can also price it accordingly. They can adapt the pricing to how the market will respond to their game.

In addition to that, you have platforms like Game Pass, which Microsoft offers, where you pay a subscription fee and you get access to a whole library of games, like a Netflix type of service. A lot of the members have been smart to reach out not just to the big titles, but also to some of these indie creators to add variety, diversity and perspective to these platforms.

If my members were answering this question, they'd say, listen, it's not always easy to make money in the industry. Again, it's entertainment. It's competitive. Some games hit and some don't, whether they're big or small. Being able to innovate and access these platforms to appeal to that global market makes a huge difference.

● (1705)

David Myles: Thank you.

I have another question. I'll speak to Mr. Chan and Mr. Sonoda for a second about authorship. I'm going to change direction.

Is there a point at which, when you look at generative art from other artists, you don't see the author? At what point do you feel when you're authoring a piece of work.... How do you maintain control as the creator? Do you look at other generative art and go, no, someone else is creating that. It's AI.

There must be a line. How are we going to determine authorship?

This is something that Monsieur Généreux has been talking about as well in the committee.

Eric Chan: I'm the one person you speak of, by the way. I look at other people's work in generative art and I go, that's cool. Wow. I don't really think about the authorship side of things.

I'm more curious about what tools the person used to create that. Was it AI? Was it pure computer code? Was it a mix? Again, I see it as the tools that the person used, and I get curious.

The fine line between authorship and creating is a natural result of that individual. Every artist seems to have a particular style. They start to create with the tools they get. I like to think they start to get to know their tools. They start to develop their signature style in the tools they use.

If you want to talk about authorship, then perhaps that is one way of looking at it. My pieces are generative, but it's a mix between hand drawn and generative. People see this as an interesting juxtaposition: His work has hand-drawn flower elements but he's using algorithms to change the colours and permutations of the positioning.

It doesn't matter what tool you use. As the artist, you will have your own DNA of your expression. If you want to say, that's mine to own, then all power to you.

That's how I see it. I really see it like that.

Warren Sonoda: Authorship is very simple for the DGC. A director and writer are the authors of the work. They're human.

I would like to riff off what you were saying about competitiveness from the earlier question. One thing to make Canada competitive is to make sure we have legal certainty and stability here. We should make sure that when we do work here creatively, we have a framework that everyone's playing under, so that we can do our work and not be worried about the legal ramifications and putting safeguards in place.

Also, we were talking about looking at other world examples. We should learn from some of them, too, because it doesn't always go well when they implement AI legislation.

Samuel, I don't know if you want to talk about the U.K.

The Chair: We're out of time for this round. Thank you.

[*Translation*]

Mr. Généreux, the floor is yours. You have five minutes.

Bernard Généreux: Thank you, Madam Chair.

Mr. Chan, you talked about NFTs and blockchain. The Standing Committee on Industry and Technology talked about that, but not through the lens of creation.

I'd like you to explain what they are exactly. A lot of people don't know.

Is there a way for artists to benefit from that financially in the future and possibly earn a living? You touched on it earlier, but it's not something we've talked about thus far in our study.

[*English*]

Eric Chan: Blockchain is a technology that's like a digital ledger that traces or follows the breadcrumbs to the original source. It's apparent now that a lot of digital creators.... I like to think it's hand in glove, or a perfect fit where you can actually create originality, like a one-of-one or a series of works on the blockchain that has been authenticated and has provenance.

On that note, hypothetically, I think it is possible that if you had models that were trained with AI and were taking different aspects or derivatives of different styles and whatnot, maybe there could be a way to perhaps take a percentage of this from this creator or a percentage of that from that creator, and it would become decentralized onto a blockchain so that people with these digital wallets could have them and could theoretically get compensated based on what the AI generates.

Let's say we create one piece. If it's a completely and purely random generative AI piece and it's pulling from all these different sources, there is perhaps the ability to figure out where it's coming from—from which creator or which artist—and then, based on that, there could be a monetized opportunity there. It's still very early in the process, but it's doable.

● (1710)

[*Translation*]

Bernard Généreux: Thank you.

Mr. Sonoda, you're nodding. Do you see an opportunity for people in the film industry to capture the creativity of what you do using blockchain, so you can then be compensated?

You said in your remarks that the danger around the creative works you produce is not being compensated. Since we began this study, many arts organizations have told us that compensation is important in order for artists to be able to live off their art.

Do you see blockchain as a potential solution?

[*English*]

Warren Sonoda: I don't know. I don't think blockchain really caught on fire the way some other things did. For perspective on where I'm coming from, in the Directors Guild of Canada, we create stories. The producers then license those stories to platforms, networks or wherever they go where the public can see them. That is fundamentally the way we operate.

In terms of this compensation and credit and the transparency that comes along with it, I see that as a ways and means. I see much more intelligent people on the tech side talking about it. Don't ask me to talk about blockchain; I think Mr. Chan did a great job.

We want to be involved. There's an AI task force, but I think Mr. Roberge said no one from the cultural industries was invited to be on it. Why is that? We're very much part of the conversation, and we want to have the dialogue with them.

Bernard Généreux: That's a really good question.

[*Translation*]

My next question is very general.

Mr. Chan, where do you see yourself artistically and technologically in five or 10 years? Will your works have made you a multimillionaire or billionaire?

The other witnesses can answer as well.

[*English*]

Eric Chan: I would absolutely welcome that. I feel there are these pillars that are being created. I do think tokenization and blockchain is one of those pillars. Then you have AI, and you have quantum computing and quantum telecommunications. You have robotics. You have all these things that are hidden.

A voice: There's ASI.

Eric Chan: That's right.

As a digital artist, I really feel that blockchain is the answer to bringing the traditional institution to the here and now. When I asked that question in my opening remarks—"Is it hand-drawn?"— the real question was, "How do I trust that what you're creating as a digital work is a one-of-one or a series? How do I know that?"

At the end of the day, art is a business; it's a one-of-one. Therefore, if I create a digital artwork, I want that to be on blockchain.

● (1715)

[*Translation*]

The Chair: Thank you.

Mr. Ntumba, we now go to you for five minutes.

Bienvenu-Olivier Ntumba: Thank you, Madam Chair.

Mr. Fogolin, in the video game industry, how does AI shape the narrative design and player interaction?

Can it create truly personalized experiences without compromising artistic integrity?

[*English*]

Paul Fogolin: The short answer is yes. It's a tool that's being used by our talented artists and creators. I gave an example, I believe, in my intro about the use in NPC dialogue. I know it's an example, too, that Dr. Kearney gave last week. When you have to write thousands and thousands of lines and create a character in a game, having a tool like AI to help make that character as realistic as possible just opens up a whole myriad of possibilities for the players and developers. That's an example of how it's being used.

There's another example. It's a game called Forza Horizon, which is a driving game made by Microsoft. It employs a type of AI to make the computer-controlled cars as realistic as possible. Traditionally, when you're programming computer-controlled cars, it's a series of algorithms. In the video game industry, we call it AI, but it's really a series of algorithms and pathfinding that provides if and then statements. Using a technology like that just creates that next level of realism, so it would react more like a human player would react.

These are just some of the examples that I'm starting to hear from members. Again, it's in its early stages. The way it's being used to help creators makes for more compelling games and does so in a more efficient timeline.

I think I mentioned earlier that some of these games take three to five years to make. The positive outcome is that this also creates jobs. People come to Canada; they're trained in our great academic institutions, and they're working full-time. Over 85% of the jobs in this industry are full-time. This is not the gig economy. These are high-paying full-time jobs with an annual salary of $102,000 a year on average. Once a game is finished, there's already a new one in the pipeline that they're trying to make.

[*Translation*]

Bienvenu-Olivier Ntumba: Thank you, Mr. Fogolin.

Mr. Bischoff, we just heard Mr. Fogolin's view on artistic integrity.

From your experience, how is it possible to make decisions within a regulatory framework when artistic integrity and the art that is the video game are at odds?

Samuel Bischoff: Thank you for your question.

I just want to make sure I understand what you're asking. Do you want to know how to strike a balance so as not to compromise artistic integrity?

What was the other element you mentioned?

Bienvenu-Olivier Ntumba: I asked Mr. Fogolin whether AI could truly create a personalized experience without compromising artistic integrity. His answer was that yes, it could compromise artistic integrity.

Samuel Bischoff: Fundamentally, what we're saying is that humans need to stay at the centre of the creative process, but it's a societal issue.

Will we, as a society, accept using algorithms and robots and funding works produced with no human involvement, no human viewpoint, going forward?

I would say artistic integrity suffers as soon as you remove the director and their choices from the equation. At that point, there is no longer any control over the process, no real human involvement. That's what I think.

Bienvenu-Olivier Ntumba: If I understand correctly, without a regulatory framework right now, the deficiencies are almost invisible.

Mr. Bischoff, is there anything you would like to add?

Samuel Bischoff: Yes. Without a regulatory framework, two things are happening. The first is a proliferation of generative AI content on numerous platforms.

At the same time, a system of law-abiding players exists. It raises the question as to whether society accepts human creation gradually being replaced by synthetic creation.

Bienvenu-Olivier Ntumba: Mr. Chan, what do you have to say about the deficiencies?

[*English*]

Eric Chan: My comment would be that, yes, artistic integrity is a societal thing. They have the tools, so let the creators create. For me, personally, what I'm using is still artistic integrity. I don't think I've lost my soul using AI or generative art. For me, it's part of my artistic practice, and that's my way of expressing it. That's how I see it.

● (1720)

The Chair: I checked out some of your artwork online. I have to agree with you that it is pretty cool, Mr. Chan.

[*Translation*]

Mr. Champoux, we now go to you for two and a half minutes.

Martin Champoux: Thank you.

Mr. Chan, you said earlier that art was a business. You're right.

Nevertheless, fundamentally, art is also something created by people who can't live without creating art. That's a whole lot different from what a good many companies in non-cultural industries do.

You're right when you say that, overall, the cultural sector contributes billions of dollars to Canada's GDP.

In your opening remarks, you referred to technological milestones throughout history. You mentioned Gutenberg's press, and the invention of the camera and photography in the 19th century.

Should we accept the fact that collateral damage comes with every technological revolution?

Do you think the loss of jobs because of AI and other such new technologies is an inevitability?

[*English*]

Eric Chan: I don't want to be blunt, but any sort of new technology that comes into play has always had collateral damage. If we look at the Internet bubble, there were job losses. Even going back to photography, things have been.... There's been such a rift.

Let's not even look at AI but just look at digital art. People still frown on this aspect of this medium, but with my medium, I seem to be able to thrive, because I embrace the tool. For me, my medium is diversification, being able to go from different places and creatively express—

[*Translation*]

Martin Champoux: With every new technology, artists and others will emerge, but there will be consequences.

We were discussing the work of directors, but this new technology affects every part of the TV and movie production process. That is where job losses will be felt the most.

Many jobs never even came back after the pandemic, because there was no longer enough work. AI and its rapid development are adding to that phenomenon.

Mr. Sonoda, I'm going to turn to you, because I don't have much time left.

Should we stay optimistic even though we know that jobs will be lost along the way as they become obsolete?

[*English*]

Warren Sonoda: I think we have to be optimistic. We have no other choice, but don't skirt the responsibility that you have.

I am a product of government intervention. I failed film school. I was a rock music video director, a country music video director. I had no ties to film and television, and I started to make these little....

MuchFACT.... You were a product of FACTOR, MuchFACT and VideoFact, Mr. Myles. This was from the CRTC.

Canadian Heritage can continue to support Canadian humans through the CMF and Telefilm, making sure our stories are told by humans and that the Canadian and indigenous story continues from this perspective. We want to talk about what you can do. Don't be afraid to guide this—I'm here because of this. I've directed over 110 episodes of TV because I did one VideoFACT video once as a 21-year-old. That's government intervention right there. Without that....

Someone asked about where we're going to be in five years. I want the next wave of young, talented storytellers and filmmakers to have the same ability to do it. Some will be using AI; some won't, but in terms of making a living, having a living, participating, and telling this Canadian story that we're all telling—whether it's through visual art, video games, or film and television—the things we do from now on, the choices that we make—that you make—will affect that.

I can't overstate how important it is that you consider all of the things that are being presented to you.

● (1725)

The Chair: Thank you.

Mr. Diotte, you have the floor now for five minutes.

Kerry Diotte: I'll go back to Mr. Fogolin.

You mentioned that gaming creates 34,000 jobs in Canada and $5.1 billion in the Canadian economy. We obviously do very well for the size of our nation.

What is it? Is it something in the water? Why? Why are we good?

Paul Fogolin: Thanks for pointing out that we are good. We always use the term "punch above our weight".

I think it's a confluence of factors. The first is talent. We have great academic institutions. We have some natural talent that has developed across the country, going back 20 or 30 years to B.C. We had guys like Don Mattrick making Need for Speed in his basement. He goes down and joins other companies. There's the natural talent.

To Warren's point about government intervention, the Province of Quebec decided to introduce a tax credit for digital media—for video games—many years ago. That was a huge driver of investment and jobs. Since then, almost every province across the country has introduced some version of a digital media tax credit. In fact, B.C. just increased theirs from 17.5% to 25% and made it permanent. The Premier came out to Electronic Arts and made a big announcement. That's definitely been a factor, but that alone wouldn't do it.

You have the talent, you have supports, and you have a solid framework—whether it's federal laws or provincial laws—and then you have the access to global markets. I think Canada is well positioned, both geographically and from an investment and cultural perspective, to sell to those markets. We have such a diverse population, and we have a diverse set of game creators. They're telling their stories, and they're working at all our member companies, creating products that will appeal to a global market. I think all that has come together to create this magic in Canada for the video game industry.

I speak for the video game industry, so I may be biased, but I think it's one that decision-makers like you in government should be looking at as we think about industries of the future to invest in and support. The market is growing, and we're really good at it here.

Kerry Diotte: One of the things that struck me is how you said that Canada has basically kept its talent here, whereas in the music industry, traditionally, until you make it in the U.S., you're nobody.

What attracts people to Canada and to my city of Edmonton, for instance? What's the deal?

Paul Fogolin: Yes, Edmonton is home to some great studios and creators. In fact, I was just in Edmonton a few weeks ago, at the Alberta Games Series.

When you're a company in this industry—like our member companies—and you're thinking about where to invest, for all the reasons I've mentioned, Canada is an attractive option. Also, proximity to the U.S. is helpful for U.S. companies looking to invest. There's a lower dollar, that talent's there and then there's lifestyle. If you're thinking about global talent, we have the health care system here and great academic institutions. We have great communities across the country for people to live and raise families in. I think all of that comes together and has created what we have here in Canada.

Then success breeds success. When you have a hub like Montreal, for instance, everybody in the world knows the Montreal games industry. In fact, we just signed a new member, Wizards of the Coast. It has the Dungeons & Dragons licence. It's based out in Washington state. It established a new studio to make the new Dungeons & Dragons games. Where is it? It's in Montreal. Others are looking to expand in other cities across Canada.

It's something we're proud of, and we want to keep it going, but it doesn't happen by chance.

Kerry Diotte: How is it that these gaming industries here in Canada have not sold out or been gobbled up by U.S. companies and others?

Paul Fogolin: It's a good question.

I think it's because, when you talk about the industry, it's not a monolith. You have small developers, and you have larger developers. A lot of our member companies are U.S., European and Japanese companies, but there's still a healthy number of Canadian-owned studios and IP. In fact, from that StatsCan study I mentioned, three-quarters of all the companies are Canadian-owned.

It's a mix. You have a mix of foreign investment coming to Canada because of the talent, the infrastructure and the people who are great at making games. Then you have homegrown studios here. Some grow quite large. We just signed Behaviour Interactive earlier this year, which is based in Montreal but also has studios in B.C. It's the largest Canadian independent studio. It sells its games all over the world.

It's really a special thing that we have going. It's the combination of those two things, the Canadian homegrown talent and the foreign investment, that is critical to this industry.

● (1730)

Kerry Diotte: Obviously, the film industry and TV industry have long had more government help, I would think.

Would you have the same now, or is it tax...? What's the magic formula?

Paul Fogolin: Yes. You know, I'm looking over to my friends here and thinking that Hollywood North wouldn't exist without some of the tax credits, but then it's the talent. Then it's the infrastructure. Then it's all the storytellers. We've certainly benefited from some of that. Also, again, Canadians are really good at making games. If the games are not good, they're not going to sell. They've been able to create very successful games. I know that I don't have a lot of time, but a poker-type game called Balatro was made in Saskatchewan. More than five million copies have been sold. That was made by one person in Saskatchewan.

There's so much opportunity.

The Chair: A poker game; that sounds like fun.

Paul Fogolin: There you go.

The Chair: Are we playing that game next, Mr. Waugh? I'm down for that.

Voices: Oh, oh!

The Chair: Mr. Al Soud, you have the floor for five minutes.

Fares Al Soud: Thank you, Madam Chair.

Mr. Chan, for the record, the *CityLights* series is honestly incredible. I believe it was in an NFT living on blockchain, which gives us a lot to think about. I think we hadn't heard that perspective here in committee before, so thank you.

Mr. Fogolin, you mentioned Canada punching above its weight. You didn't get quite enough time to finish answering, but I think Mr. Diotte's question gave you the time to speak to it. I thank him for that.

[*Translation*]

Mr. Bischoff, it's a pleasure to see you again. I want to take a moment to thank Mr. Champoux for introducing us not that long ago.

You told the Standing Committee on Industry and Technology that "unlike the provisions of the EU AIA…Canadian creators and rights holders should benefit from an opt-in system to license their works." You mentioned it in your opening statement today, as well.

Given how much AI has developed globally, is it realistic for Canada to impose an opt-in licensing regime, when the biggest AI models are trained outside the country?

Samuel Bischoff: Thank you for your question.

As I mentioned earlier, I think what we are going to see emerge are systems where copyright holders or creators license their work to the AI companies. That includes foreign companies and models developed outside the country. We hope to see a lot more of that. It's in the works.

As was pointed out earlier, our industry doesn't do well when certainty and stability are lacking. In other words, whether it's an American production, Canadian production, service production or national production, certainty around copyright protection is a must—otherwise, there will be no production. It could actually be very problematic.

As for major foreign players that have built their models without permission, I think there is a trend towards responsible AI.

We really hope the government will come out with very clear regulations on that.

Fares Al Soud: Thank you, Mr. Bischoff.

[*English*]

The Directors Guild of Canada's AI working group notes that "AI raises a host of practical ethical questions" and that "The Guild must demand that any use or method of AI deployed in our industry be ethical".

I'm curious, Mr. Sonoda: What safeguards do you envision might be necessary to ensure that AI systems used in casting, editing or production don't reinforce systemic inequities? As well, what do you believe is "ethical" AI?

Please be very quick, if possible. I know it's a big question. I apologize.

Warren Sonoda: It's no text and data mining without consent. It's respecting our copyright law and our moral rights framework. Having mandatory transparency and the concept of labelling for the public to know what they're actually interacting with will build public trust. That's incredibly important.

Really, keep this conversation going. This is great. Include us. Include unions and guilds and creatives and individual artists, the stakeholders involved, because we can give you perspectives from the floor, from the digital paintbrush, from the digital game room and from the set floor I left in Hamilton on Friday. Include us in the conversation. I think that's an important takeaway as well.

● (1735)

Fares Al Soud: Thank you, Mr. Sonoda.

Madam Chair, I'll be sharing my time with the lovely Ms. Royer.

Zoe Royer: Thank you very much.

I have a minute and 10 seconds or thereabouts, and I'm really intrigued by the conversation. I know that the screen sector generates about $11 billion for the economy.

Mr. Bischoff, I'll give you the last word. What would you like to leave us with?

Samuel Bischoff: Thank you. The last words would be that it's a defining moment. We are at a crossroads, and we believe that it is time to act as soon as possible, maybe even before legislation might be in place. That's the role we believe that the federal government has, to take steps to create protections for creators and authors, by labelling, public funds and the public broadcaster, which we have mentioned.

Zoe Royer: Thank you.

The Chair: Thank you very much.

That concludes our questioning for today.

Your testimony was amazing. It was a super interesting conversation. If there's anything you forgot to say, or if there's anything that occurs to you later—if you have more details or data to share with this committee—please forward it to us. Send it to our clerk. Our analysts can use it, our members can see it, and it can form part of our report at the end of this study. Thank you again for your time.

With that, I will consider this meeting adjourned.