REGULATION (EU) NO. 2024/1689 AND LAW NO. 8/1996 ON COPYRIGHT. LEGISLATIVE, ECONOMIC, AND SOCIAL IMPACT

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Abstract

PwC studies estimate that the integration of AI into the economy could generate a global impact of up to $15.7 trillion by 2030, with other studies limiting this figure to $13 trillion. China and North America are expected to be the main beneficiaries, accounting for around 70% of the economic growth generated by AI. Europe, in comparison, is estimated to benefit from only $2.5 trillion, representing around 16% of global growth. Digital data is identified as a key asset and a major source of intellectual property revenue.

Complying with the requirements of the regulation will generate additional costs. However, the long-term benefits are expected to outweigh these costs. Investments in compliance will also stimulate the development of new technologies and services to help companies comply. From a national legislation point of view, it will need to adopt European legislation and transpose Regulation 2024/1689 into a new law in Romania that harmonizes the legislation.

In this study I will analyze the legislative, social and economic impact of the first regulation of AI through Regulation (EU) 2024/1689 at the EU level, then at the Romanian level and how it impacts Law no. 8/1996 and national copyright legislation.

Keywords: *Regulation (EU) 2024/1689, AI, AI Act, Law no. 8/1996, economic impact of AI, social impact of AI*

1. Introduction

A PwC study analyzing the economic impact of AI in the world, by 2030, highlights that the global economy could have an estimated impact of up to 15.7 trillion dollars[1], through the integration and use of technologies based on AI, while other studies limit it to 13 trillion dollars.[2] The greatest technological advances based on such tools will be seen in China, which will have an estimated GDP growth of 26%, North America with a 14.5% increase in GDP, the 2 areas to cumulate 10.7 trillion dollars, *i.e.:* almost 70% of the estimated growth due to the impact of AI. For Europe, the impact is estimated at only 2.5 trillion dollars, *i.e.:* only a slice of up to 16% of global growth.[3]

The same study claims that digital data will become a significant asset and the primary source of income from intellectual property.[4] However, another OECD study from 2024 highlights that there are concerns and worries among the most economically advanced countries in the world that the training of models developed by AI was done on data available on the internet that is only partially protected by copyright, and in many cases, their use was not authorized by the copyright owners.[5] This situation may lead to numerous litigations in the future that could generate significant repercussions on the developers of technologies based on AI, because research on a way to balance the protection of authors, but also the encouragement of developers of technologies based on AI, is still limited.[6]

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[1] PwC's, PwC's Global Artificial Intelligence Study: Exploiting the AI Revolution, *https://www.pwc.com/gx/en/issues/artificial-intelligence/publications/artificial-intelligence-study.html#:~:text=%2415.7%20trillion%20game%20changer&AI%20could%20contribute%20up%20to,of%20China%20and%20India%20combined*, p. 3, last consulted on 12.03.2025.

[2] D. La Torre, F. Appio, H. Masri, F. Lazzeri, F. Schiavone, *Impact of Artificial Intelligence*, in Business and Society: Opportunities and Challenges, 2023, 10.4324/9781003304616, p. 15.

[3] PwC's, PwC's Global Artificial Intelligence Study…, p. 10.

[4] *Idem*, p. 20.

[5] F. Filippucci *et al.*, *The impact of Artificial Intelligence on productivity, distribution and growth: Key mechanisms, initial evidence and policy challenges*, in OECD Artificial Intelligence Papers no. 15, OECD Publishing, Paris, 2024, *https://doi.org/10.1787/8d900037-en*, p. 36, last consulted on 12.03.2025.

[6] *Idem*, p. 37.

In this study, I will analyse the legislative, social, and economic impact of the first regulation of AI through Regulation (EU) 2024/1689 at the EU level, then, at the Romanian level, and how it impacts Law no. 8/1996 and national copyright legislation.

2. Analysis of European Regulation 2024/1689

Regulation (EU) 2024/1689 aims to improve the functioning of the internal market by establishing a uniform legal framework for the placing on the market, putting into operation and use of AI systems, while respecting a high level of health, privacy and the rights of the Charter of Fundamental Rights, democracy, the environment and to protect against the harmful effects of AI to support innovation[7]. The Regulation was adopted in Brussels on 13 June 2024, entering into force twenty days later, Chapters I and II have already entered into force on 2 February 2025, Chapter III Section 4, Chapter V, Chapter VII, Chapter XII and art. 78 apply from 2 August 2025, with the exception of art. 101; and art. 6(1) and the corresponding obligations in the Regulation apply from 2 August 2027. The remaining provisions enter into force on 2 August 2026.

As the first relevant regulation in the world and for a market that includes 27 member countries, this Regulation is even more relevant as it defines the frameworks for future provisions and application directions. At the same time, Regulation (EU) 2024/1689 aims to encourage the adoption of new technologies based on AI by stimulating an environment for innovation and development, but defines that the products resulting from or generated by AI be divided into four risk categories:

- ***Minimal (or no) risk.*** A significant portion of systems that are based on AI fall into this category, being commonly used, especially in AI-generated recommendations.

- **Limited risk.** Here we refer, among other things, to „deepfake" which „means an image or audio or video content generated or manipulated by AI that bears a resemblance to existing people, objects, places or other entities or events and that would create a false impression to a person that it is authentic or true."[8] Users must be aware that they are interacting with a machine that uses AI, including that they are dealing with facial recognition or biometric classification systems.

- ***High-risk.*** Chapter III of EU Regulation 2024/1689 presents high-risk AI systems that need to comply with a series of restrictions to be used. AI systems are also considered high-risk if they create profiles of natural persons, therefore they have to comply with strict requirements: *„which include risk mitigation systems, high-quality datasets, activity recording, detailed documentation, clear information about the implementer, human oversight, as well as a high level of robustness, accuracy and cybersecurity; testing environments will facilitate responsible innovation and the development of compliant AI systems."*[9]

- ***Unacceptable risk.*** The Regulation should apply from 2 August 2026. However, taking into account the unacceptable risk associated with the use of AI in certain ways, the prohibitions and general provisions of this Regulation should already apply from 2 February 2025.[10] This includes those systems based on AI that constitute a clear threat to the respect of fundamental human rights, which can influence and manipulate people's behaviour, for example equipment, accessories or even toys that can encourage dangerous attitudes and behaviours of minors, or the evaluation by organizations or institutions of people's social behaviour, or applications that claim to predict anti-social behaviour or the moment when certain crimes may occur.[11]

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[7] Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) no. 300/2008, (EU) no. 167/2013, (EU) no. 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (AI Act) (text with EEA relevance) PE/24/2024/REV/1, *https://eur-lex.europa.eu/legal-content/RO/TXT/?uri=CELEX:32024R1689*, (1), last consulted on 02.03.2025.

[8] *Idem*, art. 60.

[9] B. Dobrescu, *Regulamentul Uniunii Europene privind inteligența artificială – domeniu de aplicare și aspecte instituționale*, in BULETIN DE INFORMARE LEGISLATIVA 3:16-31, 2024, *https://www.ceeol.com/search/article-detail?id=1267912*.p. 18, last consulted on 17.03.2025.
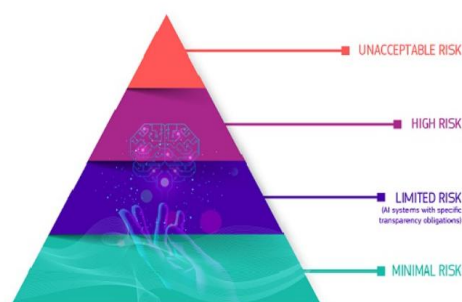
[10] Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024, (179).

[11] B. Dobrescu, *op. cit.*, p. 19.

Figure 1[12]

A risk-based approach

The AI Act defines 4 levels of risk for AI systems:

UNACCEPTABLE RISK

HIGH RISK

LIMITED RISK
(AI systems with specific transparency obligations)

MINIMAL RISK

Companies that do not comply with the provisions of EU Regulation 2024/1689 on AI can be fined up to 7% of global annual turnover for breaching obligations regarding prohibited AI applications, up to 3% for breaching other obligations, and up to 1.5% for providing incorrect information.

The Regulation emphasises in art. 25 the need to respect and protect intellectual property rights and confidential business information or trade secrets in accordance with Union and national law.[13] It also requires providers of general-purpose AI (GPAI) models to disclose the copyrighted material used in training their models. This aims to provide copyright holders with greater transparency and to allow them to monitor potential infringements. GPAI model providers are required to implement policies to comply with EU copyright law. This includes respecting copyright holders' opt-outs from text and data mining (TDM).

3. The impact on Law no. 8/1996

Regulation (EU) 2024/1689, also known as the AI Act, will have a significant impact on national legislation, including Law no. 8/1996 on copyright and related rights in Romania. This impact will have several ways:

• The need to harmonize Law no. 8/1996 with Regulation 2024/1689. The Regulation, being approved at the EU level, will be applicable at the level of all EU states, implicitly Romania, which will have to harmonize the legislation in order to ensure a uniform legal framework at the EU level. Currently, Law no. 8/1996 with subsequent clarifications and amendments does not refer in any way to the use of AI.

• The need for clarification on the use of copyrighted data. The AI Act imposes transparency obligations on the use of copyrighted data in training AI systems. This will have an impact not only on how the provisions of Law no. 8/1996 on exceptions and limitations to copyright in the context of text and data mining (TDM) are interpreted but also on how they are applied. There will be a need for clarification on how the rights of copyright holders are respected in the context of the use of data for training AI systems, which is currently lacking.

• Impact on „works" (texts, images, video, IT coding, music, etc.) generated by or with the help of AI. The AI Act Regulation addresses the issue of inventions generated by AI, which will have implications for how these productions are treated in Romania. Law no. 8/1996 and the legislation on will have to be interpreted and applied by the provisions of the AI Act Regulation.

• Implications for online platforms. The AI Act Regulation will affect how online platforms in Romania manage copyrighted content generated by AI. Law no. 8/1996 will have to be interpreted and applied following the obligations imposed on online platforms by the AI Act Regulation.

These changes could be achieved either by adopting Regulation 2024/1689 through new legislation, as was the case for other EU directives and Regulations, or by substantially amending Law no. 8/1996, which is less likely and it is expected that in the coming years there will be consistent debates on these topics relevant to intellectual property law.

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4. The social and economic impact of European Regulation 2024/1689

In addition to regulating the risks associated with AI, the AI Act also aims to promote innovation in the field, by establishing regulatory sandboxes at the level of each EU member state.[14] The effects of the act on the technology industry remain questionable, with debates about whether the regulatory burdens are excessive or insufficient in relation to the multiple risks generated by AI. Both perspectives reflect justified concerns.

However, companies that intend to offer AI systems or services on the European market will be required to comply with the new regulations, regardless of their location. Due to its scope and scope, the regulatory architecture of the AI Act is being analysed internationally as a possible model for national regulations in the field, either for adaptation, improvement or explicit deviation. Thus, the legislation already has a significant international impact, which is likely to intensify in the coming years, with both positive and negative consequences.[15]

4.1. Social Impact

The Regulation represents a significant effort to align the development of AI with the EU's fundamental values. By imposing stricter restrictions on high-risk AI systems, it aims to protect the right to privacy, combat discrimination and ensure data and privacy protection. This approach reflects growing global concern about the ethical implications of AI and the need to establish a legal framework that protects citizens.

Transparency is important to build citizens' trust in AI technologies. By imposing transparency requirements, the regulation allows for a better understanding of how these systems work. Liability rules are crucial to ensure that mechanisms are in place if AI systems cause harm. This protects consumers and promotes the responsible development of AI.

Automation is an inevitable reality in the AI era. The Regulation recognises the need to address the impact of this transformation on the labour market. In addition to the potential loss of jobs, new opportunities are also expected to be created in areas related to AI. Adapting education systems and vocational training programmes is essential to prepare the workforce for these changes.[16]

The use of AI in the public sector can improve the efficiency and accessibility of services. However, it is crucial to avoid discrimination and respect the fundamental rights of citizens. The Regulation establishes a framework to ensure that the use of AI in the public sector is ethical and responsible.

4.2. Economic impact

A clear and predictable legal framework is essential to stimulate innovation in the field of AI. The Regulation aims to create such a framework, which will encourage investment and the development of new products and services. This will have a positive impact on the EU economy, creating new opportunities for growth and development.

By setting high standards for the safety and ethics of AI, the EU aims to become a global leader in this field. This will help European companies become more competitive in the global market, attracting investment and promoting the export of AI products and services. AI has the potential to transform many economic sectors, from health and transport to finance and manufacturing. The regulation will facilitate the adoption of AI in these sectors, leading to increased productivity, reduced costs, and improved quality of services.

Complying with the requirements of the regulation will generate additional costs for companies. However, the long-term benefits are expected to outweigh these costs. Investments in compliance will also stimulate the development of new technologies and services to help companies comply.

5. Conclusions

As PwC and OECD studies have revealed, the adoption of systems based on AI will increase exponentially by 2030, and the economic and social effects and impacts will be relevant, offering advantages to North America

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[14] N.A. Smuha, *Regulation 2024/1689 of the Eur. Parl. & Council of June 13, 2024 (Eu Artificial Intelligence Act)*, in International Legal Materials, 1-148, 2025, available at: *doi:10.1017/ilm.2024.46*, last consulted on 14.03.2025.

[15] *Ibidem*.

[16] F.P. Appio, D. La Torre, F. Lazzeri, H. Masri, F. Schiavone (eds.), I*mpact of Artificial Intelligence in Business and Society: Opportunities and Challenges*, 1st ed., Routledge, 2023, *https://doi.org/10.4324/9781003304616*, p. 4, last consulted on 20.03.2025.

and China, while Europe will have a growth based on the adoption of AI more balanced. The regulatory framework provided by the AI Act is a starting point for all subsequent regulatory acts at European level that will try to stimulate innovation and competition, but without affecting intellectual property rights. The sectors that will undergo the most important transformations will be those related to the healthcare industry, financial services and manufacturing. By setting high standards on the safety and ethics of AI, the EU aims to become a global leader in this field. This will help European companies become more competitive on the global market, attracting investment and promoting the export of AI products and services.

Complying with the requirements of the regulation will generate additional costs. However, the long-term benefits are expected to outweigh these costs. Investments in compliance will also stimulate the development of new technologies and services to help companies comply. From a national legislation point of view, it will need to adopt European legislation and transpose Regulation 2024/1689 into a new law in Romania.

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