

The background of the journal cover features a top-down view of a desk. On the left, a pair of black leather brogue shoes is partially visible. In the center, an open notebook with lined pages and a silver pen lies on a light-colored wooden surface. To the right, a black leather bag with a zipper and a black leather watch with a silver dial are also visible. A large, semi-transparent white rectangular box is centered over the image, containing the journal's title and ISSN information.

INTERNATIONAL LAW
JOURNAL

**WHITE BLACK
LEGAL LAW
JOURNAL**
**ISSN: 2581-
8503**

Peer - Reviewed & Refereed Journal

The Law Journal strives to provide a platform for discussion of International as well as National Developments in the Field of Law.

WWW.WHITEBLACKLEGAL.CO.IN

DISCLAIMER

No part of this publication may be reproduced, stored, transmitted, translated, or distributed in any form or by any means—whether electronic, mechanical, photocopying, recording, scanning, or otherwise—without the prior written permission of the Editor-in-Chief of *White Black Legal – The Law Journal*.

All copyrights in the articles published in this journal vest with *White Black Legal – The Law Journal*, unless otherwise expressly stated. Authors are solely responsible for the originality, authenticity, accuracy, and legality of the content submitted and published.

The views, opinions, interpretations, and conclusions expressed in the articles are exclusively those of the respective authors. They do not represent or reflect the views of the Editorial Board, Editors, Reviewers, Advisors, Publisher, or Management of *White Black Legal*.

While reasonable efforts are made to ensure academic quality and accuracy through editorial and peer-review processes, *White Black Legal* makes no representations or warranties, express or implied, regarding the completeness, accuracy, reliability, or suitability of the content published. The journal shall not be liable for any errors, omissions, inaccuracies, or consequences arising from the use, interpretation, or reliance upon the information contained in this publication.

The content published in this journal is intended solely for academic and informational purposes and shall not be construed as legal advice, professional advice, or legal opinion. *White Black Legal* expressly disclaims all liability for any loss, damage, claim, or legal consequence arising directly or indirectly from the use of any material published herein.

ABOUT WHITE BLACK LEGAL

White Black Legal – The Law Journal is an open-access, peer-reviewed, and refereed legal journal established to provide a scholarly platform for the examination and discussion of contemporary legal issues. The journal is dedicated to encouraging rigorous legal research, critical analysis, and informed academic discourse across diverse fields of law.

The journal invites contributions from law students, researchers, academicians, legal practitioners, and policy scholars. By facilitating engagement between emerging scholars and experienced legal professionals, *White Black Legal* seeks to bridge theoretical legal research with practical, institutional, and societal perspectives.

In a rapidly evolving social, economic, and technological environment, the journal endeavours to examine the changing role of law and its impact on governance, justice systems, and society. *White Black Legal* remains committed to academic integrity, ethical research practices, and the dissemination of accessible legal scholarship to a global readership.

AIM & SCOPE

The aim of *White Black Legal – The Law Journal* is to promote excellence in legal research and to provide a credible academic forum for the analysis, discussion, and advancement of contemporary legal issues. The journal encourages original, analytical, and well-researched contributions that add substantive value to legal scholarship.

The journal publishes scholarly works examining doctrinal, theoretical, empirical, and interdisciplinary perspectives of law. Submissions are welcomed from academicians, legal professionals, researchers, scholars, and students who demonstrate intellectual rigour, analytical clarity, and relevance to current legal and policy developments.

The scope of the journal includes, but is not limited to:

- Constitutional and Administrative Law
- Criminal Law and Criminal Justice
- Corporate, Commercial, and Business Laws
- Intellectual Property and Technology Law
- International Law and Human Rights
- Environmental and Sustainable Development Law
- Cyber Law, Artificial Intelligence, and Emerging Technologies
- Family Law, Labour Law, and Social Justice Studies

The journal accepts original research articles, case comments, legislative and policy analyses, book reviews, and interdisciplinary studies addressing legal issues at national and international levels. All submissions are subject to a rigorous double-blind peer-review process to ensure academic quality, originality, and relevance.

Through its publications, *White Black Legal – The Law Journal* seeks to foster critical legal thinking and contribute to the development of law as an instrument of justice, governance, and social progress, while expressly disclaiming responsibility for the application or misuse of published content.

COPYRIGHT LAW AND OWNERSHIP CHALLENGES IN AI-GENERATED VIRTUAL INFLUENCER CONTENT.

AUTHORED BY - HARDICK.P

Law Student Final Year Bcom Llb (Hons)

Vels Institute Of Science And Technology Advanced Studies (Vistas) Pallavaram Chennai

CO-AUTHOR - K.KANNAN

Assistant Professor School Of Law (Vistas)

Abstract:

The emergence of artificial intelligence has significantly transformed the creation and dissemination of digital content, giving rise to a new phenomenon known as AI-generated virtual influencers¹. These digital personas, often designed and managed through complex algorithms, are capable of producing creative content, engaging audiences, and even influencing consumer behavior. However, their increasing presence raises critical questions within the framework of copyright law, particularly concerning authorship, ownership, and liability.

Traditional copyright principles are premised on human creativity and originality, which makes their application to AI-generated works uncertain and complex. In the context of virtual influencers, it becomes difficult to identify the rightful owner of the content—whether it is the developer, the user, the platform, or the AI system itself. This ambiguity creates challenges in assigning legal responsibility and protecting intellectual property rights.

In jurisdictions such as India, existing copyright laws do not explicitly address AI-generated content, thereby creating gaps in legal interpretation and enforcement. This study examines the limitations of current legal frameworks and highlights the need for reform to accommodate

¹. WIPO, *Revised Issues Paper on Intellectual Property Policy and Artificial Intelligence* (World Intellectual Property Organization, 2020).

² European Parliament, *Intellectual Property Rights for the Development of Artificial Intelligence Technologies* (2020).

³ U.S. Copyright Office, *Copyright Registration Guidance: Works Containing Material Generated by Artificial Intelligence* (2023).

technological advancements. It further explores possible approaches to determining ownership and suggests that a balanced legal mechanism is essential to ensure both innovation and protection of rights.

The paper concludes that without clear legislative guidance, disputes relating to AI-generated virtual influencer content will continue to grow, making it imperative for lawmakers to revisit and update copyright norms in line with evolving digital realities.

Chapter II

Concept and Development of Virtual Influencers

The dawn of AI-generated virtual influencers has created a new essence shift in virtual marketing and entertainment, challenging the existing paradigms of human celebrity endorsement. These virtual influencers are artificial personae created using complex computer programming, carefully developed through advanced AI and deep learning processes to communicate with viewers using personalized digital representations on social media platforms. The development of virtual influencers traces its history to pioneering experiments with CGI and human body modeling, gradually improving as AI and machine learning, natural language processing, and behavioural analytics matured². The world's first AI news anchor, AI Anchor, was introduced in 2018 by China's Xinhua News Agency. It requires pre-written scripts and text inputs and cannot actively gather or analyse news information. Virtual influencers are essentially the result of cross-disciplinary technological developments, integrating AI, computer graphics, and human behavioural research to create realistic interaction with virtual consumers³. The prominence of AI-based personas like Lil Miquela, Shudu Gram, and Imma highlights growing social acceptance of non-human influencers in brand promotional activities and online interactions. Unlike their human counterparts, these AI-generated entities maintain perpetual brand consistency, avoid controversies associated with human personalities, and offer greater control over messaging. However, the authenticity of such digital personas raises significant legal and ethical concerns, particularly regarding transparency, identity misrepresentation, and the rights affiliated with AI-generated creative content⁴.

² Abidin, C., *Internet Celebrity: Understanding Fame Online* (2018).

³ Goodfellow et al., *Deep Learning* (MIT Press, 2016).

⁴ Marwick, A., *Status Update: Celebrity, Publicity and Branding in the Social Media Age* (2013).

Legally, the virtual influencer shakes traditional structures over authorship, intellectual property rights, and personality-driven commercial endorsements⁵. Traditional legal doctrines on celebrity endorsements and consumer protection assume the presence of a human entity; however, virtual influencers lack an autonomous legal identity, raising intricate questions regarding liability and regulatory oversight⁶. Given their increasing commercial impact, policymakers and legal scholars must navigate these complexities to establish appropriate legislative and regulatory frameworks that balance innovation with consumer rights protection.

CHAPTER: III

The Role of Deep Learning, Neural Networks, and Generative AI in Content Creation: A Technological and Indian Legal Perspective

The convergence of deep learning, neural networks, and generative artificial intelligence (AI) has significantly affected content creation across Digital Platforms, enabling machines not only to replicate but to autonomously generate novel artistic and interactive outputs. Deep learning is an advanced subset of machine learning using layered artificial neural networks (ANNs) to process and analyze vast datasets, learning intricate representations of input forms such as text, audio, images, and videos⁷. These structures emulate human cognitive functions, thus facilitating machine-driven creativity in previously human-dominated domains. At the heart of this revolution are neural network models—namely CNNs and RNNs that play a critical role in visual synthesis and sequential content creation. While CNNs facilitate the building of realistic images and facial simulations, transformer-based models like GPT-4 have transformed text generation, allowing virtual entities to participate in contextualised conversation and content sharing. Generative Adversarial Networks (GANs), in fact, are a revolutionary innovation: their adversarial structure enables the generation of hyper-realistic human avatars, digital influencers, and synthetic media without human intervention.

In India, this technology has gained fertile ground in digital content creation, advertising, entertainment, and influencer marketing business. AI-driven avatars and virtual influencers are being used increasingly on Social Media platforms like Instagram, YouTube, Moj, and Share Chat and are garnering mass-scale user interactions. The innovation does, however, trigger important legal as well as ethical issues, primarily in the light of authorship, originality, and

⁵ Floridi, L., *Ethics of Artificial Intelligence* (2019).

⁶ WIPO, *AI and Intellectual Property Policy* (2020).

⁷ Indian Copyright Office Reports

proprietorship of content created by AI. The Copyright Act, 1957, is still based on anthropocentric definitions⁸. Section 2(d) defines the term "author" as a human being; this excludes non-human entities, including AI systems, from legal protection as copyright owners. As a result, AI works that do not involve significant human creative contribution might be outside the protective scope of the statute. This doctrinal hardness leaves a major legal void in determining questions relating to ownership, liability, and commercialization of AI-created work in the context of India. India has no administrative or court precedents guiding the copyrightable nature of work created by autonomous AI. No formal directions or registration procedure of AI-generated material has been introduced by the Indian Copyright Office⁹. Judicial pronouncements on this score are lacking too. While the National Strategy for Artificial Intelligence (NITI Aayog, 2018) and the Draft National Data Governance Framework Policy (2022) recognize the revolutionizing role of AI in content and data landscapes, they do not comment on reforming IP law to embrace AI authorship¹⁰. "This void is all the more pressing in view of new legal issues related to identity theft, defamation, and abuse of personality rights most notably under the new interpretation of Article 21 of the Indian Constitution, which secures informational privacy and personal dignity". Deepfake technology and artificial avatars have the potential to violate a person's image and voice rights, triggering issues related to attribution, consent, and civil liability in tort and contract law¹¹. The confluence of deep learning and generative AI with content creation therefore presents deep challenges to India's legal system. As AI is transformed from a tool for creativity to an independent content generator, the lack of legislative and judicial clarity regarding the status of non-human creators subverts both innovation and enforcement of rights. It is crucial that Indian IP law adapts to meet the new boundaries of creativity, balancing technological progress with ethical and legal protections.

Role of AI in Digital Content Creation

AI has revolutionized content creation, enabling the automated generation of digital assets, including text, imagery, music, and interactive media, with minimal human intervention. AI-driven generative models, such as OpenAI's GPT models, DALL·E, and similar deep learning frameworks, facilitate high-quality digital synthesis that is often indistinguishable from human-

⁸ NITI Aayog, *National Strategy for AI* (2018)

⁹ McKinsey Report on AI in Marketing (2023).

¹⁰ Samuelson, P., *Allocating Ownership Rights in AI-Generated Works* (2020).

¹¹ Consumer Protection Act, 2019 (India)

created content. The deployment of AI in content production extends beyond artistic creativity, profoundly influencing brand communication, corporate engagement strategies, and consumer-targeted interactions. With respect to the virtual influencer space, AI is pivotal in content curation, engagement maximization, and audience segmentation. The sophisticated machine learning algorithms are able to scan engagement patterns of users, and based on that, AI-generated personas are able to dynamically modify their online presence. For example, deep neural networks enable facial expressions and gesture modeling in real time, and NLP abilities make conversational flow smoother, with richer interaction with social media communities¹². These advancements highlight the increasing convergence between AI automation and human-computer interaction, placing virtual influencers at the center of digital branding and entertainment as a powerful force. But the spread of AI-generated content also raises deep legal challenges, especially in copyright law and ownership of content. Conventional copyright regimes based on human authorship principles have difficulty accepting AI-generated works¹³. Intellectual property laws in the majority of nations do not admit AI as a legal author, which results in uncertainty in attributing ownership rights over content produced autonomously by AI systems. The U.S Copyright Office (USCO) and the European Intellectual Property Office (EUIPO) have predominantly adhered to restrictive interpretations and demanded human intervention as a prerequisite for protection under copyright¹⁴. Landmark cases like *Naruto v. Slater* (2018) and *Thaler v. Commissioner of Patents* (2022) demonstrate judicial reluctance to grant legal authorship to AI, setting the stage for legislative clarity on AI-generated content ownership issues.

The Indian law is mostly governed by the Copyright Act, 1957, which does not explicitly provide for AI-generated content, thus leaving questions over ownership, infringement, and the mechanism for enforcement. Certain legal experts call for an entity-based model of recognition, in which AI systems would be afforded limited legal personhood to establish authorship rights, while others suggest an attribution model that identifies ownership with AI developers or operators¹⁵. This yet-to-be-solved debate requires thorough statutory overhaul to facilitate just distribution of rights in AI-mediated content creation. Regulatory concerns regarding transparency, ethical accountability, and consumer protection are posed by AI-generated

¹² Boden, M., *Creativity and Artificial Intelligence* (2016).

¹³ Copyright Act, 1957, §2(z)

¹⁴ UK Copyright, Designs and Patents Act, 1988, §9(3)

¹⁵ Hearn & Schoenhoff, *From Celebrity to Influencer* (2016).

content. Virtual influencers, not held to human responsibility, pose special threats in fraudulent advertising and data-targeted psychological manipulation. Even though India's Consumer Protection Act, 2019, and the Advertising Standards Council of India (ASCI) guidelines require transparency in influencer endorsements, such regulations are unclear on how these apply to AI-created personas¹⁶. There is a need to create strong governance frameworks to prevent misinformation risk and protect consumer rights in AI-powered marketing spaces.

CHAPTER:III

THE NATURE OF AI-GENERATED VIRTUAL INFLUENCERS: HUMAN-COMPUTER COLLABORATION

AI-generated virtual influencers (VIs) represent the intricate between human creativity and machine autonomy¹⁷. These virtual characters, frequently indistinguishable from actual humans in looks and behavior, are usually the result of human-computer collaboration through sophisticated algorithms, deep learning models, visual rendering, and narrative design. While human creators might supply conceptual structures, aesthetic guidance, and branding strategy, the implementation of image synthesis, dialogue creation, and interactive interaction is more and more outsourced to independent AI systems, especially through GANs, LLMs, and neural rendering software¹⁸. This partnership blurs classical understandings of authorship and creativity by spreading the distinction between human agency and algorithmic operation. In reality, virtual influencers like Lil Miquela or India's Kyra, Myntra-Maya are hybrid constructs expressed through AI-created facial expressions and behavior scripts, but managed by human teams for social media interaction, brand promotion, and cultural narrative¹⁹. As opposed to traditional digital avatars driven by users in real-time, these VIs are semi-autonomous, learning to adjust their behavior through machine learning models trained on consumer trends, language styles, and popular content²⁰. The essence of such collaborative work brings subtle legal and philosophical questions. On the copyright front, basic questions emerge: Can such a collaborative result be considered as joint authorship under the law? If so, who becomes the co-author, the human creative group or the AI mechanism? In Indian law, Section 2(z) of the Copyright Act, 1957 expressed the "Joint Authorship" while natural persons or specified legal creators have collaborated while instructing or prompting the AI machine to space for machine

¹⁶ Horton & Wohl, "Mass Communication and Para-Social Interaction" (1956).

¹⁷ OECD, *Consumer Policy in the Digital Age* (2019).

¹⁸ UK Copyright, Designs and Patents Act, 1988, §9(3).

¹⁹ WEF, *AI Governance Framework* (2022)

²⁰ Indian Contract Act, 1872.

co-authorship?²¹ This legislative restriction truncates the acknowledgment of actual collaborative efforts between humans and machines, hence distorting the character of creative contribution in such hybrid systems.

Comparative jurisdictions provide little illumination. While the United States Copyright Office has specifically refused copyright protection to works produced by AI without human ingenuity, the UK Copyright, Designs and Patents Act 1988 Sec. 9(3) does recognize computer-generated works, ascribing authorship to the "person by whom the arrangements necessary for the creation. The human-computer partnership that supports virtual influencers also triggers issues of moral rights, attribution, and responsibility. If a VI utters defamatory, misleading, or injurious statements produced by its underlying model, are the human creators responsible? Moreover, the virtual influencer's aesthetic identity sometimes given names, histories, and affective personalities may raise issues of personality rights, consumer fraud, and overcharged of artificial identity under Indian constitutional and tort law principles. Hence, AI-created virtual influencers must not be viewed as simple automated tools but as sophisticated creative works born out of symbiotic cooperation. The inability of current copyright and intellectual property systems to accept this hybrid authorship model threatens to leave human-AI co-creations open to abuse, while also discouraging innovation²². There must be a shift that brings together both the functional contribution of human authors and the generative function of AI within a hybrid authorship model appropriate for the digital age.

CONCEPTUALISING VIRTUAL INFLUENCERS AS MARKET ENTITIES: CORPORATE AND CONSUMER PERSPECTIVES

AI-generated virtual influencers (VIs) are increasingly conceptualized not merely as creative outputs but as autonomous digital market entities capable of brand ambassadorship, narrative construction, and consumer engagement. In doing so, they traverse a complex legal and commercial terrain, blending algorithmic identity with corporate intent²³. Corporations deploy VIs as hyper-curated, programmable assets that offer logistical efficiency, reputational control, and 24/7 market visibility advantages unattainable through traditional human influencers²⁴. Virtual influencers do not age, demand remuneration, or breach contracts. Their

²¹ Vaswani et al., "Attention is All You Need" (2017).

²² World Economic Forum (WEF), *AI Governance Framework* (2022).

²³ Donald Horton & R. Richard Wohl, "Mass Communication and Para-Social Interaction" (1956).

²⁴ The Indian Contract Act, 1872.

messaging, visual representation, and interactional behavior can be precisely regulated, allowing firms to build brands with continuity and control. From a corporate law perspective, however, the legal status of these virtual identities remains fundamentally unresolved. VIs are not natural persons nor legal persons and hence cannot contract, own property, or incur liability²⁵. Despite functioning as brand ambassadors, they cannot be classified as agents or employees under standard corporate jurisprudence. Instead, the entity that owns or develops the AI system often a marketing firm or startup retains exclusive control over the VI's output and brand image²⁶. This raises concerns about accountability in commercial representation, advertising misrepresentation, and intellectual property infringement. In India, the absence of clear regulatory guidelines under the Consumer Protection Act, 2019 and Advertising Standards Council of India (ASCI) codes exacerbates the uncertainty regarding disclosures, liability, and ethical representations by AI-driven personas. From the consumer perspective, VIs are often perceived as authentic, relatable digital identities, capable of emotional appeal and cultural resonance. Research in behavioral economics and digital marketing suggests that consumers form parasocial relationships with VIs akin to real influencers, especially when the virtual persona exhibits narrative consistency, interactivity, and visual realism. However, these perceptions are increasingly complicated by the lack of transparency regarding their non-human origin. Without adequate disclosure norms, consumers may be misled regarding the influencer's nature, motivations, and affiliations raising ethical questions about informed consent, manipulation, and digital trust. The ambiguity surrounding the legal personality of virtual influencers further intersects with consumer protection law, particularly in relation to unfair trade practices, false endorsements, and deceptive marketing. In the Indian context, where digital literacy and platform accountability vary widely, the risk of consumer exploitation is heightened²⁷. Despite ASCI's 2021 guidelines mandating disclosure tags such as "#ad" or "#sponsored," the guidelines do not yet explicitly address AI-generated personalities, leaving a regulatory blind spot for influencer marketing driven by non-human agents. Consequently, virtual influencers must be reconceptualized within legal and commercial frameworks not only as technological artifacts but as synthetic corporate assets operating in the public sphere²⁸. Their increasing economic value and affective influence necessitate new legal constructs that can govern ownership, attribution, accountability, and

²⁵ John Salmond, *Jurisprudence* (Legal Personality Theory).

²⁶ Hárs, A. (2022). AI and international law – Legal Personality And Avenues For Regulation. *Hungarian Journal of Legal Studies*, 62(4), 320–344. <https://doi.org/10.1556/2052.2022.00352>

²⁷ *Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989).

²⁸ *Li v. Liu* (2023), Beijing Internet Court, China.

consumer rights. Whether through algorithmic personhood, platform-based liability, or enhanced transparency mandates, the future regulation of virtual influencers requires an interdisciplinary lens that bridges corporate governance, consumer welfare, and digital ethics.²⁹

Chapter II

Concept and Development of Virtual Influencers

The dawn of AI-generated virtual influencers has created a new essence shift in virtual marketing and entertainment, challenging the existing paradigms of human celebrity endorsement. These virtual influencers are artificial personae created using complex computer programming, carefully developed through advanced AI and deep learning processes to communicate with viewers using personalized digital representations on social media platforms³⁰. The development of virtual influencers traces its history to pioneering experiments with CGI and human body modeling, gradually improving as AI and machine learning, natural language processing, and behavioural analytics matured. The world's first AI news anchor, AI Anchor, was introduced in 2018 by China's Xinhua News Agency³¹. It requires pre-written scripts and text inputs and cannot actively gather or analyse news information. Virtual influencers are essentially the result of cross-disciplinary technological developments, integrating AI, computer graphics, and human behavioural research to create realistic interaction with virtual consumers³². The prominence of AI-based personas like Lil Miquela, Shuda Gram, and Imma highlights growing social acceptance of non-human influencers in brand promotional activities and online interactions. Unlike their human counterparts, these AI-generated entities maintain perpetual brand consistency, avoid controversies associated with human personalities, and offer greater control over messaging. However, the authenticity of such digital personas raises significant legal and ethical concerns, particularly regarding transparency, identity misrepresentation, and the rights affiliated with AI-generated creative content.

Legally, the virtual influencer shakes traditional structures over authorship, intellectual property rights, and personality-driven commercial endorsements. Traditional legal doctrines

²⁹ *Thaler v. Perlmutter*, 687 F. Supp. 3d 140 (D.D.C. 2023)

³⁰ Lee, A., & Woo, P. (2022). Copyright law should stay true to itself in the age of artificial intelligence. In *Research Handbook on IP and AI* (pp. 179-197). Edward Elgar Publishing

³¹ Court of Justice of the European Union (CJEU). (2009). *Infopaq International A/S v. Danske Dagblades Forening*, C-5/08, ECLI:EU:C:2009:465.

³² World Intellectual Property Organization (WIPO). (2020). *Revised Issues Paper on Intellectual Property Policy and Artificial Intelligence*.

on celebrity endorsements and consumer protection assume the presence of a human entity; however, virtual influencers lack an autonomous legal identity, raising intricate questions regarding liability and regulatory oversight. Given their increasing commercial impact, policymakers and legal scholars must navigate these complexities to establish appropriate legislative and regulatory frameworks that balance innovation with consumer rights protection.

CHAPTER:III

The Role of Deep Learning, Neural Networks, and Generative AI in Content Creation: A Technological and Indian Legal Perspective

The convergence of deep learning, neural networks, and generative artificial intelligence (AI) has significantly affected content creation across Digital Platforms, enabling machines not only to replicate but to autonomously generate novel artistic and interactive outputs. Deep learning is an advanced subset of machine learning using layered artificial neural networks (ANNs) to process and analyze vast datasets, learning intricate representations of input forms such as text, audio, images, and videos³³. These structures emulate human cognitive functions, thus facilitating machine-driven creativity in previously human-dominated domains. At the heart of this revolution are neural network models—namely CNNs and RNNs that play a critical role in visual synthesis and sequential content creation³⁴. While CNNs facilitate the building of realistic images and facial simulations, transformer-based models like GPT-4 have transformed text generation, allowing virtual entities to participate in contextualized conversation and content sharing. Generative Adversarial Networks (GANs), in fact, are a revolutionary innovation: their adversarial structure enables the generation of hyper-realistic human avatars, digital influencers, and synthetic media without human intervention.

In India, this technology has gained fertile ground in digital content creation, advertising, entertainment, and influencer marketing business. AI-driven avatars and virtual influencers are being used increasingly on Social Media platforms like Instagram, YouTube, Moj, and Share Chat and are garnering mass-scale user interactions. The innovation does, however, trigger important legal as well as ethical issues, primarily in the light of authorship, originality, and proprietorship of content created by AI. The Copyright Act, 1957, is still based on

³³ White v. Samsung Electronics America, Inc. 971 F.2d 1395 (9th Cir. 1992)

³⁴ Conti, M., Gathani, J., & Tricomi, P. P. (2022). Virtual influencers in online social media. *IEEE Communications Magazine*, 60(8)

anthropocentric definitions³⁵. Section 2(d) defines the term "author" as a human being; this excludes non-human entities, including AI systems, from legal protection as copyright owners. As a result, AI works that do not involve significant human creative contribution might be outside the protective scope of the statute. This doctrinal hardness leaves a major legal void in determining questions relating to ownership, liability, and commercialization of AI-created work in the context of India. India has no administrative or court precedents guiding the copyrightable nature of work created by autonomous AI. No formal directions or registration procedure of AI-generated material has been introduced by the Indian Copyright Office. Judicial pronouncements on this score are lacking too. While the National Strategy for Artificial Intelligence (NITI Aayog, 2018) and the Draft National Data Governance Framework Policy (2022) recognize the revolutionizing role of AI in content and data landscapes, they do not comment on reforming IP law to embrace AI authorship. "This void is all the more pressing in view of new legal issues related to identity theft, defamation, and abuse of personality rights most notably under the new interpretation of Article 21 of the Indian Constitution, which secures informational privacy and personal dignity". Deepfake technology and artificial avatars have the potential to violate a person's image and voice rights, triggering issues related to attribution, consent, and civil liability in tort and contract law³⁶. The confluence of deep learning and generative AI with content creation therefore presents deep challenges to India's legal system. As AI is transformed from a tool for creativity to an independent content generator, the lack of legislative and judicial clarity regarding the status of non-human creators subverts both innovation and enforcement of rights. It is crucial that Indian IP law adapts to meet the new boundaries of creativity, balancing technological progress with ethical and legal protections³⁷.

Role of AI in Digital Content Creation

AI has revolutionized content creation, enabling the automated generation of digital assets, including text, imagery, music, and interactive media, with minimal human intervention. AI-driven generative models, such as OpenAI's GPT models, DALL·E, and similar deep learning frameworks, facilitate high-quality digital synthesis that is often indistinguishable from human-

³⁵ Chumley, C. M. (2024). Instagram and Influencer Marketing: An Empirical Study of the Parasocial Interaction Theory and its Effects on Purchase Intention. Graduate Theses and Dissertations Retrieved from <https://scholarworks.uark.edu/etd/5250>

³⁶ Peek & Cloppenburg KG v Cassina SpA, Case C456/06, European Court of Justice (ECJ), Judgment dated 20 January 2009

³⁷ Helberger, N., Pierson, J., & Poell, T. (2017). Governing online platforms: From contested to cooperative responsibility. *The Information Society*, 34(1), 1–14. <https://doi.org/10.1080/01972243.2017.1391913>

created content³⁸. The deployment of AI in content production extends beyond artistic creativity, profoundly influencing brand communication, corporate engagement strategies, and consumer-targeted interactions. With respect to the virtual influencer space, AI is pivotal in content curation, engagement maximization, and audience segmentation. The sophisticated machine learning algorithms are able to scan engagement patterns of users, and based on that, AI-generated personas are able to dynamically modify their online presence. For example, deep neural networks enable facial expressions and gesture modeling in real time, and NLP abilities make conversational flow smoother, with richer interaction with social media communities. These advancements highlight the increasing convergence between AI automation and human-computer interaction, placing virtual influencers at the center of digital branding and entertainment as a powerful force. But the spread of AI-generated content also raises deep legal challenges, especially in copyright law and ownership of content. Conventional copyright regimes based on human authorship principles have difficulty accepting AI-generated works. Intellectual property laws in the majority of nations do not admit AI as a legal author, which results in uncertainty in attributing ownership rights over content produced autonomously by AI systems³⁹. The U.S Copyright Office (USCO) and the European Intellectual Property Office (EUIPO) have predominantly adhered to restrictive interpretations and demanded human intervention as a prerequisite for protection under copyright. Landmark cases like *Naruto v. Slater* (2018) and *Thaler v. Commissioner of Patents* (2022) demonstrate judicial reluctance to grant legal authorship to AI, setting the stage for legislative clarity on AI-generated content ownership issues.

The Indian law is mostly governed by the Copyright Act, 1957, which does not explicitly provide for AI-generated content, thus leaving questions over ownership, infringement, and the mechanism for enforcement. Certain legal experts call for an entity-based model of recognition, in which AI systems would be afforded limited legal personhood to establish authorship rights, while others suggest an attribution model that identifies ownership with AI developers or operators. This yet-to-be-solved debate requires thorough statutory overhaul to facilitate just distribution of rights in AI-mediated content creation. Regulatory concerns regarding transparency, ethical accountability, and consumer protection are posed by AI-generated content. Virtual influencers, not held to human responsibility, pose special threats in fraudulent

³⁸ Copyright, Designs and Patents Act 1988, c. 48. (UK). <https://www.legislation.gov.uk/ukpga/1988/48/section/9>

³⁹ Donald Horton & R. Richard Wohl, "Mass Communication and Para-Social Interaction" (1956).

advertising and data-targeted psychological manipulation. Even though India's Consumer Protection Act, 2019, and the Advertising Standards Council of India (ASCI) guidelines require transparency in influencer endorsements, such regulations are unclear on how these apply to AI-created personas. There is a need to create strong governance frameworks to prevent misinformation risk and protect consumer rights in AI-powered marketing spaces.

CHAPTER:III

THE NATURE OF AI-GENERATED VIRTUAL INFLUENCERS: HUMAN-COMPUTER COLLABORATION

AI-generated virtual influencers (VIs) represent the intricate between human creativity and machine autonomy. These virtual characters, frequently indistinguishable from actual humans in looks and behavior, are usually the result of human-computer collaboration through sophisticated algorithms, deep learning models, visual rendering, and narrative design. While human creators might supply conceptual structures, aesthetic guidance, and branding strategy, the implementation of image synthesis, dialogue creation, and interactive interaction is more and more outsourced to independent AI systems, especially through GANs, LLMs, and neural rendering software⁴⁰. This partnership blurs classical understandings of authorship and creativity by spreading the distinction between human agency and algorithmic operation. In reality, virtual influencers like Lil Miquela or India's Kyra, Myntra-Maya are hybrid constructs expressed through AI-created facial expressions and behaviour scripts, but managed by human teams for social media interaction, brand promotion, and cultural narrative. As opposed to traditional digital avatars driven by users in real-time, these VIs are semi-autonomous, learning to adjust their behaviour through machine learning models trained on consumer trends, language styles, and popular content. The essence of such collaborative work brings subtle legal and philosophical questions. On the copyright front, basic questions emerge: Can such a collaborative result be considered as joint authorship under the law? If so, who becomes the co-author, the human creative group or the AI mechanism? In Indian law, Section 2(z) of the Copyright Act, 1957 expressed the "Joint Authorship" while natural persons or specified legal creators have collaborated while instructing or prompting the AI machine to space for machine co-authorship? This legislative restriction truncates the acknowledgment of actual collaborative efforts between humans and machines, hence distorting the character of creative contribution in such hybrid systems.

⁴⁰ IPEG Inc. v. Kay Bee Engineers 2016 SCC OnLine Guj 155.

Comparative jurisdictions provide little illumination. While the United States Copyright Office has specifically refused copyright protection to works produced by AI without human ingenuity., the UK Copyright, Designs and Patents Act 1988 Sec. 9(3) does recognize computer-generated works, ascribing authorship to the "person by whom the arrangements necessary for the creation. The human-computer partnership that supports virtual influencers also triggers issues of moral rights, attribution, and responsibility. If a VI utters defamatory, misleading, or injurious statements produced by its underlying model, are the human creators responsible? Moreover, the virtual influencer's aesthetic identity sometimes given names, histories, and affective personalities may raise issues of personality rights, consumer fraud, and overcharged-of artificial identity under Indian constitutional and tort law principles. Hence, AI-created virtual influencers must not be viewed as simple automated tools but as sophisticated creative works born out of symbiotic cooperation. The inability of current copyright and intellectual property systems to accept this hybrid authorship model threatens to leave human-AI co-creations open to abuse, while also discouraging innovation. There must be a shift that brings together both the functional contribution of human authors and the generative function of AI within a hybrid authorship model appropriate for the digital age.

CONCEPTUALISING VIRTUAL INFLUENCERS AS MARKET ENTITIES: CORPORATE AND CONSUMER PERSPECTIVES

AI-generated virtual influencers (VIs) are increasingly conceptualized not merely as creative outputs but as autonomous digital market entities capable of brand ambassadorship, narrative construction, and consumer engagement⁴¹. In doing so, they traverse a complex legal and commercial terrain, blending algorithmic identity with corporate intent. Corporations deploy VIs as hyper-curated, programmable assets that offer logistical efficiency, reputational control, and 24/7 market visibility advantages unattainable through traditional human influencers. Virtual influencers do not age, demand remuneration, or breach contracts. Their messaging, visual representation, and interactional behaviour can be precisely regulated, allowing firms to build brands with continuity and control. From a corporate law perspective, however, the legal status of these virtual identities remains fundamentally unresolved. VIs are not natural persons nor legal persons and hence cannot contract, own property, or incur liability. Despite functioning as brand ambassadors, they cannot be classified as agents or employees under standard corporate jurisprudence. Instead, the entity that owns or develops the AI system

⁴¹ John Salmond, *Jurisprudence* (Legal Personality Theory)

often a marketing firm or startup retains exclusive control over the VI's output and brand image. This raises concerns about accountability in commercial representation, advertising misrepresentation, and intellectual property infringement. In India, the absence of clear regulatory guidelines under the Consumer Protection Act, 2019 and Advertising Standards Council of India (ASCI) codes exacerbates the uncertainty regarding disclosures, liability, and ethical representations by AI-driven personas. From the consumer perspective, VIs are often perceived as authentic, relatable digital identities, capable of emotional appeal and cultural resonance. Research in behavioural economics and digital marketing suggests that consumers form Para social relationships with VIs akin to real influencers, especially when the virtual persona exhibits narrative consistency, interactivity, and visual realism. However, these perceptions are increasingly complicated by the lack of transparency regarding their non-human origin. Without adequate disclosure norms, consumers may be misled regarding the influencer's nature, motivations, and affiliations raising ethical questions about informed consent, manipulation, and digital trust. The ambiguity surrounding the legal personality of virtual influencers further intersects with consumer protection law, particularly in relation to unfair trade practices, false endorsements, and deceptive marketing. In the Indian context, where digital literacy and platform accountability vary widely, the risk of consumer exploitation is heightened. Despite ASCI's 2021 guidelines mandating disclosure tags such as "ad" or "sponsored," the guidelines do not yet explicitly address AI-generated personalities, leaving a regulatory blind spot for influencer marketing driven by non-human agents. Consequently, virtual influencers must be reconceptualized within legal and commercial frameworks not only as technological artifacts but as synthetic corporate assets operating in the public sphere⁴². Their increasing economic value and affective influence necessitate new legal constructs that can govern ownership, attribution, accountability, and consumer rights. Whether through algorithmic personhood, platform-based liability, or enhanced transparency mandates, the future regulation of virtual influencers requires an interdisciplinary lens that bridges corporate governance, consumer welfare, and digital ethics.

⁴² U.S. Copyright Office, *Copyright Registration Guidance: Works Containing AI-Generated Material* (2023); European Union Intellectual Property Office (EUIPO) Reports.

CHAPTER VIII

Conclusion and Future Regulatory Directions

Artificial intelligence does not dream, does not feel, and does not hope, yet it now writes our words, paints our portraits, and speaks with our voices.

It is not just imitating us; it is beginning to redefine what it means to be human.”

As the veil between algorithm and identity grows thinner, we must ask: is this the ascent of intelligence or the quiet erosion of authorship. The Book of Genesis reminds us that humankind was made “*in the image of God*” a status AI cannot claim, yet it now mimics with uncanny precision. These ancient warnings find unsettling relevance in the modern age, as human-crafted artificial intelligence brings virtual influencers that now blur the lines between flesh and code, authenticity and simulation. Today, AI-generated virtual influencers like Lil Miquela have transcended novelty. They are persuasive, visually flawless, always on-brand, and immune to human error. Their rise is not an accident of technology, but a calculated evolution in the architecture of digital engagement. However, behind this glittering digital facade lies a profound legal void. These non-human entities produce content indistinguishable from human creativity, yet they exist outside the protective scope of intellectual property law, which remains rooted in human authorship. The study dissected that legal conundrum. Through comparative doctrinal analysis, it exposed the inadequacies of current copyright frameworks in the U.S., EU, India, and beyond. Case law from *Thaler v. Perlmutter* to European copyright rulings reflects a stubborn allegiance to anthropocentrism. AI may *generate*, but only humans may *own*. This binary fails to capture the complexity of modern creativity, where machines increasingly act as co-authors, collaborators, or even autonomous creators. The empirical findings in this research provided another layer of insight. Consumers were found to emotionally bond with virtual influencers despite knowing their artificial origins. They admired their beauty, precision, and novelty but expressed discomfort at the lack of transparency. They questioned the authenticity of brand endorsements and feared deception. These results underscore a regulatory vacuum: the law neither mandates disclosure nor provides consumers with safeguards against algorithmic manipulation. Moreover, the research gaps identified through both doctrinal and empirical analysis are not merely, they have profound implications for ownership, liability, consumer trust, and ethical marketing. Who owns the output when no human writes the script? Who is responsible when a virtual influencer spreads false or harmful content? These questions remain unanswered, threatening both creative industries and legal certainty. It is imperative that we do not allow this ambiguity to metastasize. The law must

evolve not to restrict AI innovation, but to ensure ethical guardrails and equitable authorship. A possible solution lies in creating sui generis legal protections for AI-generated works, along with mandatory disclosure laws for AI influencers engaged in commercial activity. If Lil Miquela and her algorithmic kin are to become the face of global brands, we must legislate their presence before they begin shaping consumer identities unchecked. This study thus ends not with finality but with a call for action: to rethink the boundaries of authorship, protect the dignity of human creativity, and establish a regulatory framework fit for a world where influence no longer requires humanity. In this convergence of law, technology, and identity, our future will be defined not only by what AI creates but by what humanity chooses to protect

