

Creative Technologies International Scan #4

A Foresight Lab Report prepared by Olsberg·SPI

November 2025

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The CoSTAR Foresight Lab

Driven by the UK's leading Creative Industries experts, the [CoSTAR Foresight Lab](#) is researching the adoption, use and impact of new, emergent and convergent technologies in gaming, TV, film, performance and digital entertainment.

Our findings will inform research, development and innovation across the Creative Industries, including the R&D taking place through the convergent screen technologies and performance in real time (CoSTAR) programme, the UK R&D network for creative technology.

[CoSTAR](#) is a £75.6 million national R&D network of laboratories that are developing new technology to maintain the UK's world-leading position in gaming, TV, film, performance, and digital entertainment. Delivered by the UKRI Arts and Humanities Research Council, the programme is supporting new innovations and experiences that will enrich the UK's creative industries, economy, and culture. The network comprises the National Lab, the Realtime Lab, the Live Lab, the Screen Lab and the Foresight Lab. CoSTAR is funded through UK Research and Innovation's Infrastructure Fund, which supports the facilities, equipment and resources that are essential for researchers, businesses, and innovators to do groundbreaking work. You can find out more by visiting www.costarnetwork.co.uk.

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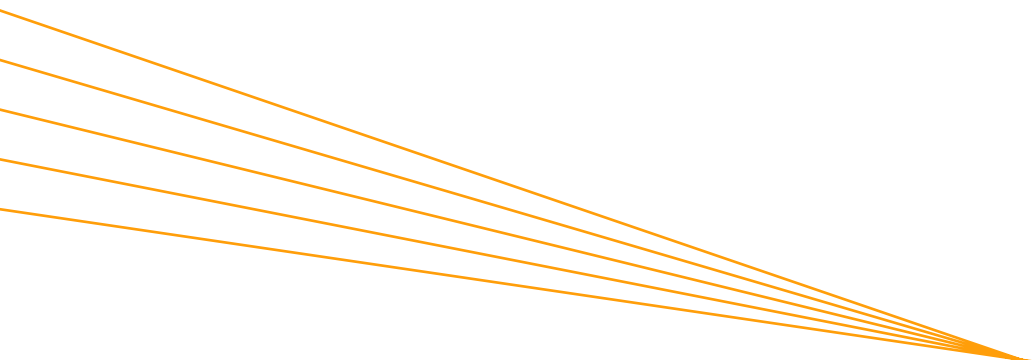
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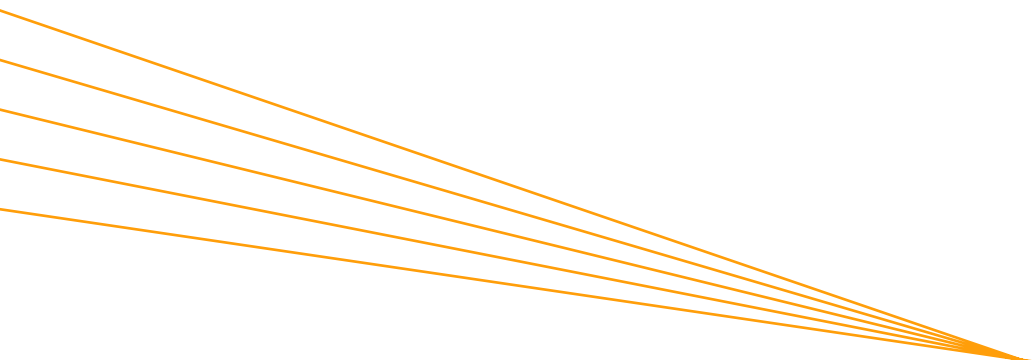
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1. Introduction

This International Scan is the second in a series of publications designed to present and unpack global developments of advanced technologies in and for the Creative Industries.

1.1. This Report

This report is a compilation of key trends and updates from markets outside of the United Kingdom (UK), with analysis into the global opportunities and challenges on the horizon. It covers developments between July and September 2025, and tracks intelligence related to advanced technologies in and for the Creative Industries. The evidence collected for this edition of the briefing cover the following areas:

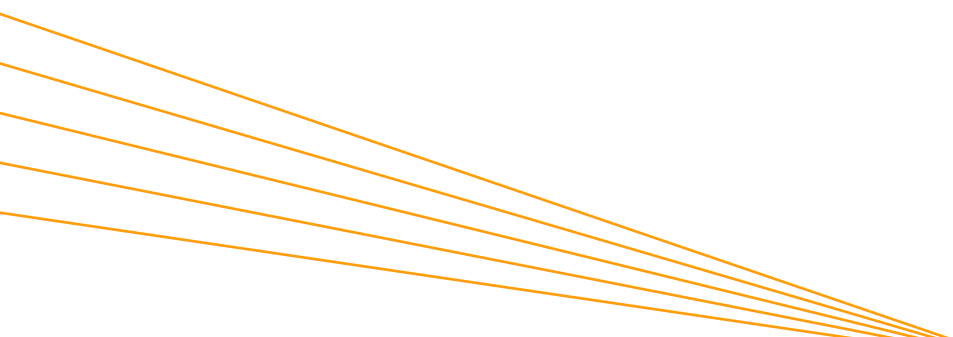
- Policy and regulatory developments
- Corporate mergers, acquisition deals and investments
- Workforce and skills
- Facilities and infrastructure
- Technological advancements and adoption
- Environmental sustainability.

And across these regions:

- Global
- Asia and Pacific Region (APAC)
- Latin America (LATAM)
- Europe, Middle East, and Africa (EMEA)
- US & Canada.

The first section of the briefing analyses key findings in global advanced media production policy and regulation. This includes legislative findings, lobbying initiatives and government funded research across film and television, video games, immersive and technology-enabled live entertainment, virtual production (VP), post-production, visual effects (VFX), artificial intelligence (AI), virtual reality (VR), augmented reality (AR), and extended reality (XR). It is supported by a full list of global news stories that informed the analysis.

The second section expands the focus to the Screen Sector and wider Creative Industries, with analysis covering workforce, skills, infrastructure, technological adoption and wider corporate activity. This second section is also supported by a full list of global news stories that exemplify and have informed the analysis.



1.2. Overarching Findings

Between July and September 2025, continued activity and discussion underscored the growing prominence of AI across the Creative Industries, with major events dedicating space to AI-focused content and panels, reflecting the sector's active engagement with the technology. The 2025 editions of Venice Film Festival, Toronto Film Festival (TIFF) and the Asian Contents and Film Market each featured panels, showcases and screenings that explored AI's role in storytelling, production, and creative collaboration. Many of the events across the aforementioned festivals were geared towards knowledge sharing around the challenges and opportunities presented by the implementation of AI across creative workflows. Google had a significant presence at the TIFF 2025, which included the launch of an AI-generated short film and interactive installations, highlighting the potential role AI could play in creative storytelling and thus sparking notable debate.

The European Union is entering a new phase of AI regulation, moving from broad frameworks to enforceable compliance measures that will significantly impact how media companies build and deploy the technology across the region. Key developments include new obligations under the *EU AI Act* requiring general-purpose model providers to summarise training datasets from 2nd August 2025, proposed copyright reforms addressing text-and-data mining and authorship, and forthcoming transparency guidelines that could mandate labelling of AI-generated content from August 2026. In the US state of California, several new policies and AI-related bills have been advanced that cover topics including disclosing technology usage, authenticity, child safety and oversight.

The increase of public entities and national organisations putting through legislation and policies have set out more defined ground rules for the inclusion of new technologies across various sectors. This marks a shift from the phase of planning and consultation to a phase of implementation, set to reshape licensing, remuneration, and technical workflows. In the private sector, policies, such as the *EU AI Act*, are likely to raise concerns about compliance, particularly around new requirements such as dataset disclosure, copyright obligations, and content labelling. At the same time, such policies have the potential to create competitive advantages for firms that already demonstrate strong governance standards and robust provenance practices.

In the private sector, rising global investment is rapidly transforming the creative workforce through advanced technology upskilling and the development of intuitive and accessible platforms tailored to writers, producers and content creators. This shift is evident in initiatives such as Singapore-based, Animeta's AI film studio in Mumbai, which blends human creativity with Google Cloud's Vertex AI to enable scalable brand storytelling. Another example is Ireland's Virtual Production 'All Island' Initiative that is training senior producers and VFX specialists in LED volume technology to foster North-South collaboration and position the region as a unified hub for virtual production. Even gaming ecosystems are evolving, with Roblox launching a licensing platform that connects creators directly with rights holders such as Netflix, Lionsgate, Sega and Kodansha, formalising IP use and unlocking new revenue streams. These innovations are aiming to lower barriers to entry for creatives and encourage experimentation, motivating creatives to harness AI and other new technologies in the wake of uncertainty about these technology developments across the creative sectors.

Markets around the world who are showing interest in becoming more globally competitive in the audio-visual sector are looking to investment in cutting-edge VP infrastructure. While investment in VP in parts of the US, the UK and Europe have plateaued over recent months, this uptick across Asia and the Middle East reflects a rapid proliferation of new approaches to content creation. In Deqing, China, for example, the unveiling of the world's largest monolithic LED stage – a 270-degree curved wall the size of four basketball courts – combines LED volume technology with motion capture and real-time rendering, setting a new benchmark for immersive production environments. In Japan, Toei has launched

a VP studio in Tokyo featuring state-of-the-art display technology and advanced rendering systems to support high-end cinematic projects. Meanwhile, Dubai has opened the Middle East's first open-access LED volume studio at Dubai Studio City, backed by the Dubai Film and TV Commission, with a mission to empower regional creators and strengthen the city's position as a global production hub. Collectively, these developments highlight the decentralisation of VP innovation, widening opportunities for creators across the sectors in Asia and the Middle East.

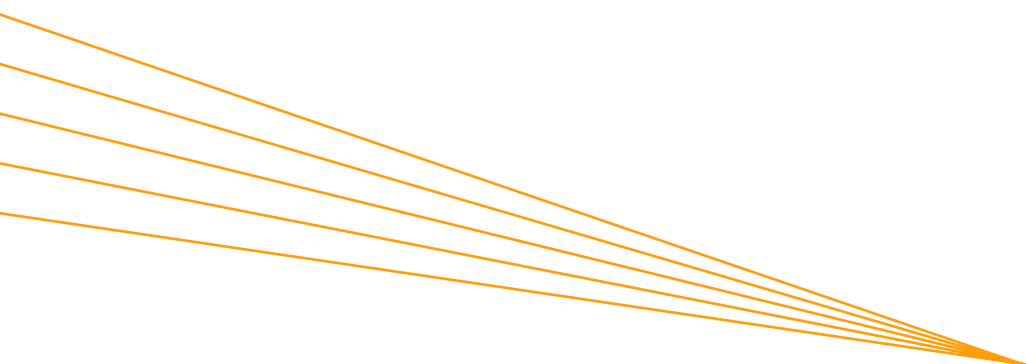
The video games sector continues to explore opportunities for narrative entertainment expansion with a continued increase in cross-sector convergence between the games and scripted content sectors. An example of this includes Nintendo's launch of a dedicated film division to adapt its iconic franchises and the growing number of cross-industry partnerships, such as that recently forged between Paramount and Activision. This shift reflects a broader strategy to leverage video game intellectual property, reaching wider audiences and deepening fan engagement beyond gameplay. For the video games sector, this can create new revenue streams, can revitalise legacy titles and has the potential to foster creative synergy between developers and filmmakers. As storytelling becomes increasingly important to brand strategy, several major games are expanding into transmedia franchises. Recent examples include *Call of Duty's* upcoming live-action film, and Nintendo's new film division managing *Super Mario* and *Legend of Zelda* adaptations. Both examples illustrate how established cross-sector links are being formalised and scaled.

In addition, the video games sector, along with other sub-sectors, such as post-production, VFX, animation and immersive content, is seeing increased efforts from governments across the globe to attract investment across the broader value chain of advanced media production. By expanding incentive eligibility criteria, governments are seeking to build local capacity and position their jurisdictions as competitive creative hubs. For example, New Jersey has extended its tax credit to cover animation, video games, VFX and immersive media, while British Columbia permanently increased its Interactive Digital Media Tax Credit to 25% from September 2025.

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2. Policy and Regulation

Please see section 2.2 for all referenced stories

2.1 Key findings

1. Europe Advances from Principle to Implementation on AI Copyright and Transparency

The EU is moving beyond high-level frameworks to detailed compliance measures, which are shaping how companies develop and deploy AI. New obligations for general-purpose models, studies on copyright reform, and consultations on content labelling mark a shift towards enforceable regulation. These developments will influence licensing models, remuneration for creators, and technical workflows, creating both compliance costs and opportunities for firms that can demonstrate strong governance and provenance practices. Larger players will be better resourced to absorb these requirements, however, while smaller firms may find them prohibitive. Key examples include:

- From 2nd August 2025, providers of general-purpose AI models¹ must summarise training datasets under *EU AI Act* rules, with legacy models to comply by August 2027²
- The European Parliament's JURI Committee study recommended reforms to address text-and-data mining (TDM), authorship and liability, outlining risks to fair remuneration and three possible futures for EU copyright, legal certainty through reform, continued litigation under the status quo, or creative erosion if regulation fails³
- The European Commission launched a consultation in September 2025 to develop AI transparency guidelines and a Code of Practice, aiming for obligations on labelling AI-generated content to take effect from August 2026.⁴

1 A general-purpose AI model (GPAI model) is an AI model trained on large datasets that can perform a wide range of different tasks, not just a single, specific function, and can be integrated into various systems or applications. Examples include large language models (LLMs) like ChatGPT, which form the basis for numerous tools and services. The European Union's AI Act defines these models by their broad capabilities and potential to be used across many distinct applications and purposes

2 *EU rules on general-purpose AI models start to apply, bringing more transparency, safety and accountability.* European Commission, 1st August 2025. Accessible at: <https://digital-strategy.ec.europa.eu/en/news/eu-rules-general-purpose-ai-models-start-apply-bringing-more-transparency-safety-and-accountability#>

3 *Generative AI and Copyright - Training, Creation, Regulation.* European Parliament, 9th July 2025. Accessible at: [https://www.europarl.europa.eu/thinktank/en/document/IUST_STU\(2025\)774095](https://www.europarl.europa.eu/thinktank/en/document/IUST_STU(2025)774095)

4 Commission launches consultation to develop guidelines and Code of Practice on transparent AI systems. European Commission, 4th September 2025. Accessible at: <https://digital-strategy.ec.europa.eu/en/news/commission-launches-consultation-develop-guidelines-and-code-practice-transparent-ai-systems#>

2. Screen Sector and Wider Creative Industries Pressure Drives Pushback Against AI Text and Data Mining

Guilds and unions are shaping the policy debate around AI by opposing broad text-and-data-mining exceptions and calling for rigorous compensation models. At the same time, several governments, mainly across US states, are experimenting with new institutional frameworks for AI oversight, resulting in a patchwork of obligations and governance models. The trend points towards increasing requirements for consent, transparency, and accountability in the adoption of AI. Key examples include:

- The Media, Entertainment & Arts Alliance of Australia survey found 94% of its members want technology companies to pay for training data, and 93% support stronger regulation⁵
- The Australian Writers' Guild rejected a Productivity Commission proposal for a TDM exception, warning it would weaken copyright protections⁶
- California advanced multiple AI-related bills covering labelling, authenticity, child safety and oversight⁷
- Texas enacted the Texas Responsible Artificial Intelligence Governance Act, banning certain AI uses and establishing an AI Council from January 2026⁸
- Colorado and Michigan both progressed landmark state AI laws, though lobbying is ongoing to weaken or delay implementation.⁹

3. Notable Variation in Government Approaches to Provenance and Authenticity Standards

Governments are introducing rules to identify and label AI-generated content, but approaches are widely varied and inconsistent across the Globe. China has imposed mandatory labelling rules with platform-level enforcement, while Europe is pursuing voluntary codes and industry taskforces. For global distributors and producers, this divergence will require alignment across multiple standards to ensure compliance and interoperability. Key examples include:

- China's Measures for *Labelling of AI-Generated Synthetic Content* came into force on 1st September 2025, requiring explicit and implicit labels on all AI-generated media¹⁰
- The European Broadcasting Union and AMWA launched a Joint Task Force on Dynamic Media Facilities to set standards for software-based production, focusing on timing, orchestration and governance¹¹
- Vietnam is revising its IP law to clarify that purely AI-generated works are not protectable, while AI-assisted works with human input remain eligible.¹²

5 *Government urged to act on AI and stop theft of nation's creative assets as critical productivity talks approach*. MEAA, 30th July 2025. Accessible at: <https://www.meaa.org/mediaroom/government-urged-to-act-on-ai-and-stop-theft-of-nations-creative-assets-as-critical-productivity-talks-approach/>

6 *Australian creative workers reject Productivity Commission proposal on Artificial Intelligence*. AWG, 15th September 2025. Accessible at: <https://www.awg.com.au/australian-creative-workers-reject-productivity-commission-proposal-on-artificial-intelligence/>

7 *AI Legislative Update*: August 15, 2025. Transparency Coalition, 15th August 2025. Accessible at: <https://www.transparencycoalition.ai/news/ai-legislative-update-august-15-2025>

8 *Texas Enacts New AI Law*. Wilmer Hale, 21st July 2025. Accessible at: <https://www.wilmerhale.com/en/insights/blogs/wilmerhale-privacy-and-cybersecurity-law/20250721-texas-enacts-new-ai-law#>

9 *AI Legislative Update*: August 15, 2025. Transparency Coalition, 15th August 2025. Accessible at: <https://www.transparencycoalition.ai/news/ai-legislative-update-august-15-2025>

10 China enforces new rules on labelling AI-generated content. CGTN, 1st September 2025. Accessible at: <https://news.cgtn.com/news/2025-09-01/China-enforces-new-rules-on-labeling-AI-generated-content-1Gj1GWXQeJi/p.html>

11 *EBU and AMWA form Joint Task Force on Dynamic Media Facilities for transition to software-based media production*. EBU, 14th September 2025. Accessible at: <https://tech.ebu.ch/news/2025/09/ebu-and-amwa-form-joint-task-force-on-dynamic-media-facilities-for-transition-to-software-based-media-production>

12 *AI and content theft challenge Vietnam's intellectual property law*, Vietnamnet, 24th September 2025. Accessible at: <https://vietnamnet.vn/en/ai-and-content-theft-challenge-vietnam-s-intellectual-property-law-2445682.html>

4. Jurisdictions Enhance their Production Incentives to Attract Post, VFX, Games and Immersive Content Production

Jurisdictions are utilising incentives and other funding models to capture the entirety of the screen production ecosystem such as post-production, VFX, animation, games and immersive content. Governments are increasing rates, broadening eligibility and creating certainty to attract investment and grow local capacity. As a result, incentive competition is no longer focused solely on principal photography – the primary period when a film is actively shot - but is expanding to encompass the wider value chain of the screen sector. Key examples include:

- Western Australia introduced a flat 20% Post, Digital, and Visual Effects (PDV) rebate above AU\$100,000 (~£49,000), stackable with the federal 30% offset¹³
- New Jersey increased its post-production credit to 40% where requirements are met and expanded eligibility to animation, video games, VFX and immersive media¹⁴
- British Columbia permanently increased its Interactive Digital Media Tax Credit from 17.5% to 25%, effective 1st September 2025¹⁵
- Screen Australia awarded over AU\$1.4 million (~£740,000) to 26 projects through its Games Production Fund and Emerging Gamemakers Fund.¹⁶

5. Growing Influence of Advanced Technology and Screen Content as Channels of Cultural Soft Power and Heritage

Governments and platforms are presenting new evidence of the wider spill-over impacts of cultural content, from screen exports to immersive heritage projects. Findings show how entertainment and advanced media production developments are influencing tourism, global image, and creator opportunities. This evidence supports policies that position culture as a strategic asset within economic development and diplomacy, with measurable returns across multiple sectors. Key examples include:

- A Netflix-commissioned survey across eight countries found 72% of viewers of Korean content are more likely to visit South Korea, while 78% engage more with Korean culture, such as food, fashion and language¹⁷
- A KPMG India report highlights how advanced technologies such as AR/VR and digital archiving are central to heritage conservation, with public-private partnerships expected to create over 21,000 jobs and revitalise cultural assets for long-term tourism growth.¹⁸

13 *WA now the most competitive for post-production screen projects*. Government of Western Australia, 1st July 2025. Accessible at: <https://www.wa.gov.au/government/media-statements/Cook%20Labor%20Government/WA-now-the-most-competitive-for-post-production-screen-projects--20250701>

14 *Production Incentives News to Know: July 2025*. Entertainment Partners, 9th July 2025. Accessible at: <https://www.ep.com/industry-news/production-incentives-news-to-know-july-2025/#:~:text=NEW%20JERSEY>

15 *Province boosts tax credit for game developers*. BC Gov News, 7th July 2025. Accessible at: <https://news.gov.bc.ca/releases/2025FIN0028-000646>

16 *Screen Australia Funding Boosts Local Games Industry by More than \$1.4 Million*. Games Hub, 23rd July 2025. Accessible at: <https://www.gameshub.com/news/article/screen-australia-funding-boosts-local-games-industry-by-more-than-1-4-million-2736825/>

17 *The Ripple Effect of K-Content: How Netflix Viewers Are Embracing Korean Culture*. Netflix, 25th June 2025. Accessible at: <https://about.netflix.com/en/news/ripple-effect-k-content-viewers-embracing-korean-culture>

18 *Building public-private synergies for heritage conservation*. KPMG, 25th July 2025. Accessible at: <https://kpmg.com/in/en/insights/2025/07/building-public-private-synergies-for-heritage-conservation.html>

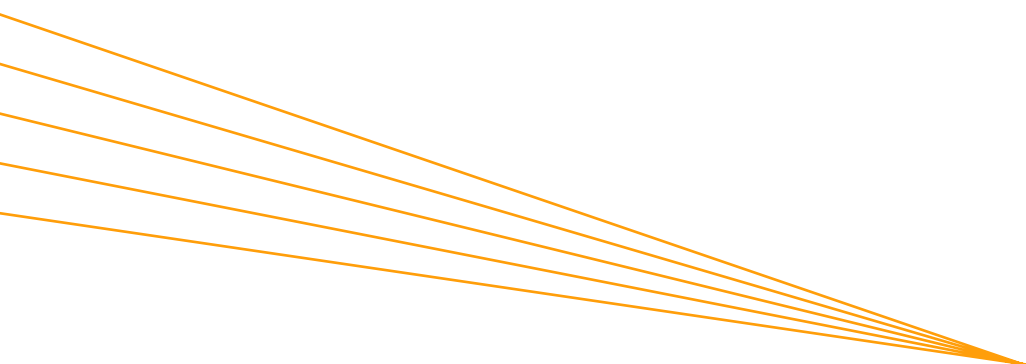
2.2 Reference Stories

2.2.1. Europe Advances from Principle to Implementation on AI Copyright and Transparency

EUROPE – AI ACT RULES FOR GENERAL-PURPOSE MODELS TAKE EFFECT IN EU: From 2nd: From 2 August 2025, obligations for providers of general-purpose AI (GPAI) models under the EU AI Act are in force, requiring transparency on training data, stronger copyright protections and accountability measures. Providers must summarise training datasets using new European Commission templates, while those adopting the voluntary GPAI Code of Practice gain reduced compliance burdens. Existing GPAI models must comply by August 2027. ([European Commission](#), 1st August 2025)

EUROPE – EU CONSULTATION ON AI TRANSPARENCY GUIDELINES: The European Commission has launched a consultation to develop guidelines and a Code of Practice to help providers and deployers of generative AI systems detect and label AI-generated or manipulated content. The initiative, based on the EU AI Act, aims to ensure users are informed when interacting with AI, including in emotion recognition and biometric categorisation. Transparency obligations will apply from August 2026. ([European Commission](#), 4th September 2025)

EUROPE – EUROPEAN PARLIAMENT STUDY CALLS FOR REFORM OF COPYRIGHT RULES ON GENERATIVE AI: In July 2025, the European Parliament published a study for the JURI Committee examining how generative AI challenges existing EU copyright law. The report highlights legal gaps around text and data mining exceptions, authorship, liability, and the status of AI-generated content, warning of risks to fair remuneration and Europe's Creative Industries. It recommends clear rules on input and output distinctions, harmonised opt-out mechanisms, transparency requirements, licensing models, and stronger safeguards. The study outlines three possible futures: legal certainty through reform, continued litigation under the status quo, or creative erosion if regulation fails. ([European Parliament](#), 9th July 2025)



2.2.2. Screen Sector and Wider Creative Industries Pressure Drives Pushback Against AI Text and Data Mining

AUSTRALIA – MEAA SURVEY CALLS FOR STRONGER GOVERNMENT ACTION ON AI IN AUSTRALIA: The Media, Entertainment & Arts Alliance (MEAA) released its Stop the Theft survey of more than 730 members, showing 54% are “extremely concerned” about AI, with top issues including misinformation (71%), loss of human creativity (71%) and theft of work (69%). Over 80% reported concern about job losses, and 78% of those whose work had been used to train AI said they had not consented or been compensated. The survey found 94% want technology companies such as Meta, OpenAI and Amazon to pay for training data, and 93% support stronger government regulation. The findings follow calls from screen guilds for compensation models and rectification processes to address unauthorised AI use. ([MEAA](#), 30th July 2025)

AUSTRALIA – WRITERS’ GUILD REJECTS PRODUCTIVITY COMMISSION PROPOSAL TO EASE COPYRIGHT RULES FOR AI IN AUSTRALIA: On 6th August 2025, the Productivity Commission released its interim report, Harnessing Data and Digital Technology, suggesting a possible text and data mining exception under Australia’s fair dealing regime to allow AI training. The Australian Writers’ Guild (AWG), supported by the Australasian Performing Right Association (APRA) and the Australasian Mechanical Copyright Owners Society (AMCOS), strongly opposed the move, warning it would weaken copyright protections and legitimise the unauthorised use of creative works. Stakeholders stressed that licensing markets, not exceptions, are essential to ensure fair remuneration as AI adoption expands. ([AWG](#), 6th August 2025)

US – CALIFORNIA ADVANCES COMPREHENSIVE AI LEGISLATION COVERING MISUSE, TRANSPARENCY, AND CHILD PROTECTION: California lawmakers in Q3 2025 advanced a broad package of AI-related bills, now before the Assembly Appropriations Committee. Proposals include measures on misuse (extending false impersonation laws to manipulated images and videos), transparency (requiring labels on AI-generated content and digital authenticity signatures), and child protection (creating a state AI standards board for children’s safety). Others focus on user safeguards (mandating reminders to minors that chatbots are not human), oversight (ensuring human control over AI in critical infrastructure), and accountability (protecting whistleblowers at AI firms). ([Transparency Coalition](#), 15th August 2025)

US – COLORADO AI LAW UNDER PRESSURE: Colorado Gov. Jared Polis has called a special session on the 21st August 2025 to address the state budget and the Colorado Artificial Intelligence Act (CAIA), due to take effect February 2026. Corporate lobbying is expected to seek to delay, weaken or overturn the landmark law, which imposes wide-ranging AI accountability measures. ([Transparency Coalition](#), 15th August 2025)

US – MICHIGAN DEEPFAKE AND AI SAFETY BILLS PROGRESS: Michigan legislators advanced the Protection from Intimate Deepfakes Act (House Bill 4047), creating civil and criminal penalties for non-consensual intimate content, alongside House Bill 4048 adjusting sentencing guidelines. Two further bills were introduced: House Bill 4668, requiring large AI developers to adopt safety protocols and third-party audits to prevent “critical risk”, and House Bill 4667, imposing felony penalties for using AI to commit crimes, with mandatory prison terms. ([Transparency Coalition](#), 15th August 2025)

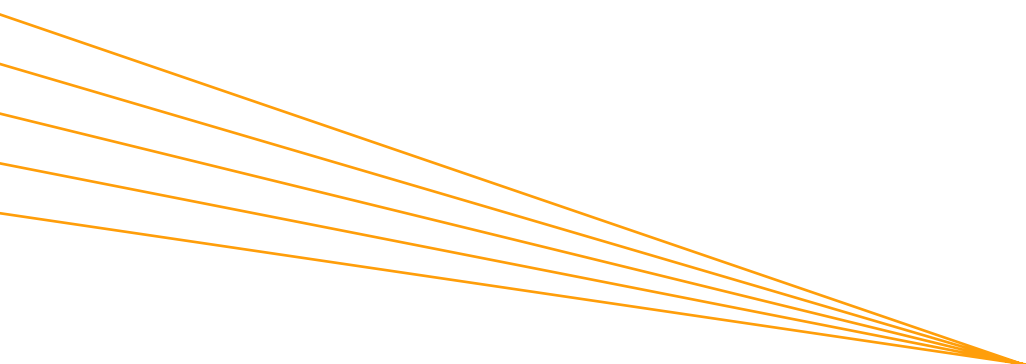
US – TEXAS ENACTS AI LAW: Texas has passed the Texas Responsible Artificial Intelligence Governance Act (TRAIGA), becoming the second US state after Colorado to adopt comprehensive AI regulation. Taking effect on 1st January 2026, the law bans certain uses of AI, including manipulation of behaviour, unlawful discrimination, government social scoring, and biometric capture without consent. It establishes a regulatory sandbox to encourage responsible innovation and creates the Texas Artificial Intelligence Council to advise on ethics, safety, and oversight. Enforcement will be led by the state attorney general, with penalties of up to US\$200,000 (~£140,000) for violations. ([WilmerHale](#), 21st July 2025)

2.2.3. Notable Variations in Government Approaches to Provenance and Authenticity Standards

CHINA – RULES ON LABELING AI-GENERATED CONTENT COME INTO FORCE IN CHINA: China's Cyberspace Administration and other regulators have issued the *Measures for Labelling of AI-Generated Synthetic Content*, which became effective on the 1st September 2025. The rules require online service providers to add both explicit and implicit labels to AI-generated text, images, audio, video, and virtual content. Explicit labels must be clearly visible to users, while implicit labels, such as metadata or digital watermarks, must record the source and attributes of the content. Platforms must verify and display these labels when distributing content, and service providers must explain labelling requirements in user agreements. Failure to comply may lead to regulatory action under existing cybersecurity and media laws. ([CGTN](#), 1st September 2025)

EUROPE – EBU AND AMWA FORM TASK FORCE ON SOFTWARE-BASED MEDIA PRODUCTION IN EUROPE: The European Broadcasting Union (EBU) and Advanced Media Workflow Association (AMWA) have launched the Joint Task Force on Dynamic Media Facilities (JT-DMF) to accelerate the industry's transition to software-based production. The group will unite vendors, end-users, and integrators to address business and technical challenges, with initial priorities including timing models for the Media Exchange Layer (MXL) SDK, orchestration, and governance. The initiative is intended to establish open, scalable standards for next generation live and post-production infrastructure. ([EBU](#), 14th September 2025)

VIETNAM – VIETNAM IP LAW REVISIONS TO ADDRESS AI AND CONTENT THEFT: Lawmakers are debating updates to Vietnam's Intellectual Property Law to tackle challenges posed by AI and news aggregation. Officials highlighted the absence of clear rules on AI-generated works, with the Ministry of Science and Technology clarifying that content produced solely by AI cannot be protected and must be labelled, while AI-assisted works with human input remain eligible for protection. Delegates also raised concerns over aggregator platforms profiting more than legitimate news outlets, urging stronger enforcement, revenue-sharing mechanisms, and clearer registration processes for trademarks and patents. ([Vietnamnet](#), 23rd September 2025)



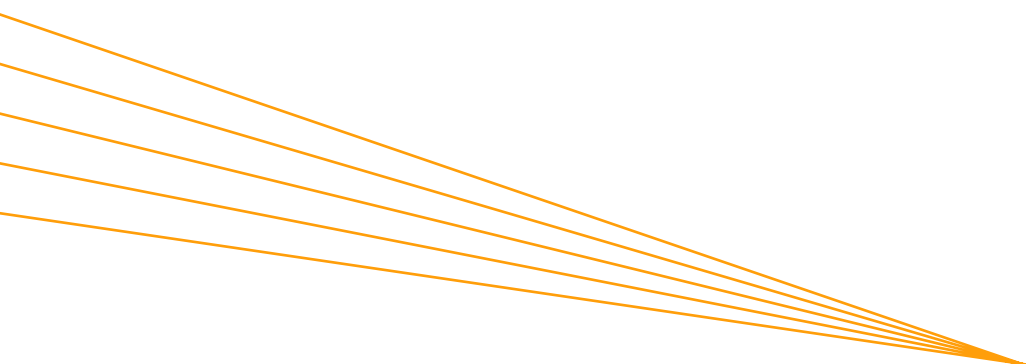
2.2.4. Jurisdictions Enhance their Production Incentives to Attract Post, VFX, Games and Immersive Content Production

AUSTRALIA – SCREEN AUSTRALIA AWARDS OVER AU\$1.4 MILLION (~£740,000) TO SUPPORT LOCAL GAMES INDUSTRY: In July, Screen Australia announced funding for 26 projects through its Games Production Fund and Emerging Gamemakers Fund. Supported titles range from action-adventure RPGs to visual novels, including *Ashes* (2025), *Dungeon Breakers* (2025), *Retopia* (2025), and *Wyrmspan Tactics* (2025). ([Screen Australia](#), 23rd July 2025)

AUSTRALIA – WESTERN AUSTRALIA BOOSTS PDV INCENTIVES: Western Australia has streamlined its Post-Production, Digital and Visual Effects (PDV) rebate to a flat 20% on qualifying expenditure above AU\$100,000 (~£50,000) making Western Australia the most competitive jurisdiction in Australia. The incentive, delivered via Screenwest, complements the Federal Government's 30% offset and positions Western Australia ahead of Queensland (15%) and other states (up to 10%). The measure aims to attract large-scale international projects, expand local PDV business activity, and build workforce capacity ahead of the opening of Perth Film Studios. ([Government of Western Australia](#), 1st July 2025)

CANADA – BRITISH COLUMBIA EXPANDS VIDEO GAME TAX CREDIT: British Columbia has permanently increased its Interactive Digital Media Tax Credit from 17.5% to 25%, effective 1 September 2025. The expanded measure, covering video games, AR, VR and educational software, provides studios with long-term certainty and stronger support for hiring and investment. The province's games sector already generates over CA\$1bn (~£530 million) annually and employs more than 20,000 people, with the credit expected to further boost growth and competitiveness. ([BC Gov](#), 7th July 2025)

US – NEW JERSEY EXPANDS POST-PRODUCTION & DIGITAL MEDIA ELIGIBILITY: Updates to the NJ Film & Digital Media Tax Credit Program (effective retroactively to 1st January 2024) raise the post-production credit rate from 30–35% to 40% where requirements are met. The law also broadens the definition of “digital media content” to explicitly include animation, video games, VFX, and immersive media (VR/AR/MR), extending eligibility to a wider range of technology-enabled productions. ([EP Partners](#), 9th July 2025)



2.2.5. Growing Influence of Advanced Technology and Screen Content as Channels of Cultural Soft Power and Heritage

INDIA – INDIA'S TECH-ENABLED HERITAGE CONSERVATION STRATEGY: A KPMG India report emphasises how advanced technologies are central to the country's evolving approach to heritage preservation. It highlights digital archiving, immersive AR/VR, and adaptive reuse as tools to make cultural assets more accessible and commercially viable. Public-private partnerships are seen as key to integrating these innovations, with Uttar Pradesh's adaptive reuse programme cited as a model expected to revive 44 acres of heritage property and create over 21,000 jobs. In the report international case studies on Japan, the UK, Italy, Morocco and Australia show how digitisation, inclusive governance, and sustainable funding models can strengthen conservation, positioning India's heritage sector for long-term tourism growth and economic impact. ([KPMG](#), 25th July 2025)

SOUTH KOREA – NETFLIX STUDY SHOWS KOREAN CONTENT BOOSTS GLOBAL CULTURAL INTEREST: Netflix commissioned independent research firm, 2CV, to survey 11,500 people across eight countries on the global impact of Korean content. The study found 63% of viewers plan to continue watching, while 72% said it increased their desire to visit South Korea. Viewers also reported wider cultural engagement, including food, fashion, and language, with 78% watching in Korean to improve skills. In South Korea, 91% said international demand is strengthening the country's image and 87% believe it is creating new opportunities for creators. ([Netflix](#), 25th June 2025)

2.2.6. Other Stories from this Edition

CANADA – US PRESSURE RAISES UNCERTAINTY OVER ONLINE STREAMING ACT AND ONLINE NEWS ACT IN CANADA: Cultural and broadcast groups have urged the liberal government to maintain both laws amid speculation they could be part of trade negotiations with the US. The Online Streaming Act requires foreign streamers to pay 5% of Canadian revenues towards local content funds, though payments are paused pending a Federal Court challenge, while the Online News Act obliges Google and Meta to compensate publishers, with Google contributing to a CA\$100 million (~£58 million) fund. Prime Minister Mark Carney has declined to confirm whether repeal is under consideration, after US officials criticised both acts. Industry leaders, including the Canadian Association of Broadcasters and the Coalition for the Diversity of Cultural Expressions, warned that weakening the measures would harm Canadian newsrooms and cultural sovereignty. ([The Canadian Press](#), 22nd August 2025)

US – TRUMP'S "BIG, BEAUTIFUL BILL" EXTENDS TAX CUTS, INCLUDES ENTERTAINMENT PROVISIONS FOR US: The legislation, signed in July 2025, extends the 2017 tax cuts and expands defence and border security spending while adding US\$3.3 trillion (~£2.6 trillion) to the national debt over the next decade. Key measures for the screen sectors include Section 181 expensing for sound recordings (up to US\$150,000/£118,000) and continued 100% production expensing for film, television and theatre. The bill also allocates US\$257 million (~£202 million) to the Kennedy Center, and US\$40 million (~£31 million) to a revived National Garden of American Heroes but omits expanded federal production incentives and performing artist tax relief. A proposed ten-year moratorium on state AI regulation was removed before passage. ([Deadline](#), 3rd July 2025)

US – GEORGIA UPDATES ENTERTAINMENT TAX LAW: Georgia's House Bill 475 expands its Entertainment Industry Investment Act, making content for subscription-based platforms and free ad-supported streaming TV (FAST) channels eligible for incentives, while excluding laser disc projects and purely social media user-generated content, effective 1st January 2026. ([EP Partners](#), 9th July 2025)

3. Advanced Media Production in the Screen Sector and Creative Industries

Please see section 3.2 for all referenced stories

3.1 Key findings

1. Creators Leveraging AI, Blockchain and Virtual Production to Scale and Monetise Content

Recent developments highlight how creators and creator-focused platforms are increasingly shaping the adoption of advanced technologies in content production, financing, and distribution. New models are emerging that combine generative AI, virtual production (VP), blockchain, and licensing tools with creator-driven strategies, enabling faster production cycles, alternative funding structures, and new pathways for IP monetisation. These initiatives mark a shift in power dynamics, where creators are no longer just content suppliers but are actively leveraging technology to scale production, strengthen bargaining positions, and experiment with direct audience engagement. This trend is expected to drive more flexible, distributed production ecosystems that sit alongside traditional studio models. Key examples include:

- Singapore-based Animeta launched an AI film studio in Mumbai, blending human creativity with Google Cloud's Vertex AI models to enable rapid, scalable content creation for brands¹⁹
- US startup Inception Point is producing over 3,000 weekly podcast episodes using synthetic AI hosts, algorithmic topic selection, and programmatic advertising to scale digital audio at low cost²⁰
- The Virtual Production 'All Island' Initiative in Ireland will provide senior producers and VFX specialists with LED volume training, fostering North-South collaboration and positioning Ireland as a unified hub for VP²¹
- Roblox introduced a licensing platform linking creators directly with rights holders including Netflix, Lionsgate, Sega and Kodansha, aiming to formalise IP use and capture a share of gaming content revenues²²
- US actor Ron Perlman launched Watrfall, a blockchain-enabled, fan-focused financing platform that allows audiences to invest in projects, vote on development decisions, and share in profits, giving creators new options for capital and control.²³

19 *AI Film Studio Launch Marks Animeta's Expansion into Scalable Content Production*. Variety 22nd September 2025. Accessible at: <https://variety.com/2025/tv/news/ai-film-studio-animeta-1236525875/>

20 *5,000 Podcasts. 3,000 Episodes a Week. \$1 Cost Per Episode — Behind an AI Start Up's Plan*. The Hollywood Reporter, 9th September 2025. Accessible at: <https://www.hollywoodreporter.com/business/digital/ai-podcast-start-up-plan-shows-1236361367/>

21 *Virtual Production All Island Initiative for Film & Television Producers, Executive Producers, Studio Heads & VFX Specialists | Studio Ulster | 2025*. Cultural & Creative Industries Skillnet, 2025. Accessible at: <https://www.creativeskillnet.ie/course/virtual-production-all-island-initiative-for-senior-producers-vfx-studio-heads-and-supervisors-studio-ulster-2025/>

22 *Roblox Announces New Licensing Platform for Experiences*. Roblox, 15th July 2025. Accessible at: <https://ir.roblox.com/news/news-details/2025/Roblox-Announces-New-Licensing-Platform-For-Experiences/default.aspx#>

23 *Ron Perlman Launches Watrfall, A Creator-Led Financing & Content Development Platform for Film & TV*. Deadline, 19th August 2025. Accessible at: <https://deadline.com/2025/08/ron-perlman-watrfall-creator-led-platform-film-television-1236489923/>

2. Advanced Technologies Impacting Developments and New Models of Content Distribution and Exhibition

This quarter's developments underscore the accelerating convergence between traditional screen industries, creator-led ecosystems, and immersive entertainment. The European Broadcasting Union's Emmy-winning contribution to the SMPTE ST 2110 standard highlights how core broadcast infrastructure is shifting towards IP-based, real-time workflows, improving efficiency across the value chain. Meanwhile, Runway's partnership with IMAX to present AI-generated films in cinemas demonstrates how generative tools are beginning to enter mainstream exhibition, blurring the line between professional and creator-originated content. Netflix's move into experiential spaces through its new Netflix House venues, alongside its adaptation of YouTube-originated formats, signals a diversification of audience engagement beyond on-screen consumption. Similarly, the Las Vegas Sphere's large-scale immersive reinterpretation of *The Wizard of Oz* illustrates how legacy IP is being re-monetised through high-value experiential formats. Collectively, these developments point to a sector where technological innovation is redefining not only production and distribution workflows but also the nature of cultural participation and value creation. Key examples include:

- The European Broadcasting Union received a 2025 Emmy Award for its role in developing the SMPTE ST 2110 standard, which enables real-time IP-based media transmission and underpins modern broadcast workflows²⁴
- Runway partnered with IMAX to present the 2025 AI Film Festival finalists across 10 US cities, marking the first theatrical showcase of AI-generated films in IMAX theatres²⁵
- Amazon's Alexa Fund backed Fable's Showrunner, a user-directed AI television platform allowing audiences to generate and star in animated episodes, pitching a shift toward "two-way" entertainment²⁶
- The Las Vegas Sphere's US\$100 million (~£74.5 million) immersive reimaging of *The Wizard of Oz* is projected to generate over US\$500 million (US\$372.5 million) by 2026, highlighting new revenue models for reinterpreting classic IP²⁷
- Company Lightcraft launched Spark, an AI-powered production platform integrating script, visualisation, VFX, and post-production into a single collaborative hub, with full release expected in 2026²⁸
- Netflix expanded into creator-led formats by adapting YouTube-originated content, positioning the platform as a feeder for scalable IP development²⁹
- Netflix confirmed opening dates for its first two immersive "Netflix House" venues in Philadelphia and Dallas, adding VR attractions, themed restaurants and interactive experiences to its distribution model³⁰
- YouTube entered talks with the Academy about acquiring broadcast rights to the Oscars, reflecting the platform's push into global live event distribution³¹
- Meta showcased two VR headset prototypes at SIGGRAPH 2025, with breakthroughs in ultra-high resolution and wide field of view, marking significant progress toward mainstream immersive displays.³²

24 EBU receives 2025 Engineering, Science & Technology Emmy® Award for work on ST 2110. EBU, 3rd September 2025. Accessible at: <https://tech.ebu.ch/news/2025/09/ebu-receives-2025-engineering-science-technology-emmyr-award-for-work-on-st-2110>

25 Runway and IMAX® Partner on Exclusive Presentation of the 2025 AI Film Festival. Runway, 28th July 2025. Accessible at: <https://runwayml.com/news/runway-imax-aiff-presentation>

26 Amazon's Alexa Fund Invests in 'Netflix of AI' Start-Up Fable, Which Launches Showrunner: A Tool for User-Directed TV Shows. Variety, 30th July 2025. Accessible at: <https://runwayml.com/news/runway-imax-aiff-presentation>

27 Major 'Wizard of Oz' Profits Could Push Sphere to More Movie Reimaginings. The Hollywood Reporter, 8th September 2025. Accessible at: <https://www.hollywoodreporter.com/business/business-news/wizard-of-oz-sphere-more-films-1236364915/>

28 Lightcraft ignites pre-to-post collaboration with Spark. TVB Europe, 11th August 2025. Accessible at: <https://www.tvbeurope.com/production-post/lightcraft-ignites-pre-to-post-collaboration-with-spark>

29 YouTube Shows Are Increasingly Going to Netflix. Now The Streamer Wants to Make Them Bigger. Deadline 22nd July 2025. Accessible at: <https://www.tvbeurope.com/production-post/lightcraft-ignites-pre-to-post-collaboration-with-spark>

30 It's Open Season for Netflix House as Philly Arrives No.12, Dallas on Dec.11. Tudum by Netflix, 25th August 2025. Accessible at: <https://www.netflix.com/tudum/articles/netflix-house>

31 YouTube Is Making a Play to Host the Oscars. Bloomberg, 17th August 2025. Accessible at: https://www.bloomberg.com/news/newsletters/2025-08-17/youtube-is-making-a-play-to-host-the-oscars?utm_campaign=virtual-production-for-still-photos&utm_medium=referral&utm_source=www.vp-land.com

32 Windows on the Future: Reality Labs Research to Demo New Prototype VR Headsets at SIGGRAPH 2025. Meta, 7th August 2025. Accessible at: https://www.meta.com/en-gb/blog/reality-labs-research-tiramisu-boba-3-siggraph-2025-ultrawide-fov-hyperrealistic-vr/?utm_campaign=we-spoke-with-the-ceo-of-freepik&utm_medium=referral&utm_source=www.vp-land.com

3. The Screen Sector Remains Divided as Public Figures and International Firms Weigh in on AI

Industry figures and companies continue to take markedly different positions on the role of AI in filmmaking and content production. Some prominent directors are embracing AI as a creative partner or efficiency tool, while others stress the irreplaceable role of human imagination and warn against commodification. At the same time, studios and technology companies are actively deploying AI in production workflows, while reinforcing legal boundaries to protect their IP. This divergence highlights an industry in transition, where optimism about innovation sits alongside cultural resistance and litigation risk. Key examples include:

- Director Alex Proyas argued Hollywood's broken production model could be rebuilt through AI, empowering independent creators and reducing reliance on traditional gatekeepers³³
- Chinese filmmaker Jia Zhangke emphasised at the Venice Film Festival that AI should be embraced as a creative opportunity to support Chinese cinema in adapting to global trends³⁴
- Guillermo del Toro told Venice audiences that while AI will play a role, storytelling rooted in human emotion and imagination cannot be replicated by machines, urging artists to prioritise creative integrity³⁵
- Universal Pictures began attaching legal notices to films banning their use for AI training, signalling stronger industry protection of IP in response to generative AI³⁶
- CJ ENM launched its proprietary AI systems "Cinematic AI" and "AI Script", debuting the fully AI-generated animation *Cat Biggie*, produced with significant efficiency gains, such as automatically processes 3D characters and environments.³⁷

4. Film Festivals Make Space for Advanced Technologies

Major international film festivals are increasingly dedicating space to advanced technologies, particularly AI and immersive formats, reflecting their growing influence on the future of cinematic storytelling. These initiatives signal a shift in festival programming from showcasing completed works to also acting as testbeds for experimentation with new tools, formats, and collaborative models. By elevating XR and AI within high-profile cultural platforms, festivals are shaping industry discourse, legitimising emerging practices, and broadening public engagement with advanced media production. Key examples include:

- The Venice Film Festival's Venice Immersive strand, showcased 30 XR projects from global creators, highlighting XR as a frontier for emotional depth and cultural exchange³⁸
- At TIFF 2025, the panel *Perspectives: Unlocking New Possibilities for Storytelling with AI* explored AI's potential to enhance narrative design and access to creative tools while stressing ethical and human-centred approaches³⁹
- Google's TIFF 2025 campaign featured an AI-generated short film and interactive installations, sparking debate on the role of AI in creative storytelling⁴⁰
- TIFF's AI on the Roof spotlight presented experimental AI-driven films and installations, positioning AI as a co-creator in shaping new cinematic languages.⁴¹

33 *I, Robot' Director Alex Proyas Says Hollywood's "Broken" Model Needs Rebuilding With AI*. Stage Runner, 3rd September. Accessible at: <https://stagerunner.net/i-robot-director-alex-proyas-says-hollywoods-broken-model-needs-rebuilding-with-ai/>

34 *Veteran Chinese Auteur Jia Zhangke Embraces AI Opportunities, Says It's "Like Playing Chess" — Venice*. Deadline, 30th August 2025. Accessible at: <https://deadline.com/2025/08/jia-zhangke-china-embrace-ai-opportunities-venice-film-festival-1236501979/>

35 *Venice 2025: Guillermo Del Toro insists he is "not afraid of AI"*. FarOut Magazine, 30th August 2025. Accessible at: <https://faroutmagazine.co.uk/venice-2025-guillermo-del-toro-insists-he-is-not-afraid-of-ai/>

36 *Universal Pictures to Big Tech: We'll Sue If You Steal Our Movies For AI*. The Hollywood Reporter, 6th August 2025. Accessible at: <https://www.hollywoodreporter.com/business/business-news/universal-pictures-big-tech-well-sue-if-you-steal-movies-ai-1236337712/>

37 *CJ ENM Unveils Artificial Intelligence Strategy with Debut of 100% AI-Generated Animation 'Cat Biggie'*. Variety, 30th June 2025. Accessible at: <https://variety.com/2025/tv/news/cj-enm-ai-strategy-cat-biggie-1236443870/>

38 *We are seeing a new maturity': how 'extended reality' is coming of age at the Venice film festival*. The Guardian, 27th August 2025. Accessible at: <https://www.theguardian.com/film/2025/aug/27/venice-film-festival-extended-reality-cinema-vr>

39 *PERSPECTIVES Unlocking New Possibilities for Storytelling with AI*. TIFF, September 2025. Accessible at: <https://tiff.net/films/perspectives-unlocking-new-possibilities-for-storytelling-with-ai>

40 *AI Gets the Lead Role in Google's TIFF Campaign*. Little Black Book, 9th September 2025. Accessible at: <https://tiff.net/films/perspectives-unlocking-new-possibilities-for-storytelling-with-ai>

41 *SPOTLIGHT The Next Wave of AI Filmmaking: Smarter, Safer & Better*. TIFF, September 2025. Accessible at: <https://tiff.net/films/spotlight-ai-on-the-roof>

5. Significant Developments in Virtual Production Stages Across Key Markets

Various global screen hubs are seeing major investments in state-of-the-art LED volume facilities, signalling their intent to compete for high-end international productions and expand domestic capabilities. These new stages highlight both the scale and accessibility of virtual production infrastructure, with China and Japan targeting global studio clients through large-scale facilities, and Dubai positioning itself as a regional hub by prioritising open access and talent development. Together, these projects reflect the global dissemination of virtual production technology beyond established hubs in North America and Europe. Key examples include:

- In Deqing, China unveiled the world's largest monolithic LED stage, a 270-degree curved wall spanning the size of four basketball courts, combining LED volume technology with motion capture and real-time rendering tools⁴²
- Japan's Toei launched a new LED virtual production studio in Tokyo, equipped with advanced real-time rendering systems and AOTO display technology, aimed at supporting high-end film and TV projects⁴³
- Dubai opened the Middle East's first open-access LED volume studio at Dubai Studio City, backed by the Dubai Film and TV Commission, designed to democratise access, attract regional creators, and position the city as a global production hub.⁴⁴

6. Formalising Guidance for Environmental and Sustainability Progresses Across the Screen and Broader Creative Industries

Film, television and broader Creative Industries are increasingly embedding structured sustainability frameworks into production practices, supported by academic, industry and policy-led initiatives. Regional standards, research programmes, and conferences are providing the sector with practical tools and shared benchmarks for implementation. At the same time, cross-sector reports highlight how advanced technologies such as AI can play a central role in optimising energy use and enabling greener production environments. Together, these developments signal a maturing of sustainability practices from ad hoc measures to formalised systems with measurable impact. Key examples include:

- The 12th Biennial ASEACC Conference in Chiang Mai focused on "Sustainable Futures", exploring environmental and social dimensions of Southeast Asian cinemas, from energy ethics to activist cinema⁴⁵
- The Nordic film and TV industry announced the Nordic Ecological Standard, a region-wide sustainability framework covering transport, energy, catering, materials and biodiversity, to be implemented in 2026 with backing from 34 organisations⁴⁶
- The European Commission published a report on how AI can accelerate energy system transformation, highlighting applications such as digital twins, decentralised grid forecasting and harmonised data standards to support climate neutrality.⁴⁷

42 *A Look Inside the 'World's Largest Virtual Production Studio*. Av Network, 25th July 2025. <https://www.avnetwork.com/news/a-look-inside-the-worlds-largest-virtual-production-studio>

43 *Toei Unveils LED Virtual Production Studio, Powered by AOTO*. American Society of Cinematographers, 17th June 2025. Accessible at: <https://theasc.com/articles/toei-opens-vp-studio-in-tokyo>

44 *Dubai Launches First Open-Access LED Volume Studio, Empowering the Region's Creative Economy*. AdTech Today, 10th September 2025. Accessible at: <https://adtechtoday.com/dubai-launches-first-open-access-led-volume-studio-empowering-the-regions-creative-economy/>

45 *12th Biennial Association for Southeast Asian Cinemas Conference*. ASEACC, August 2025. Accessible at: <https://aseaccofficial.wordpress.com/>

46 *The Nordic Ecological Standard for film and TV-production is now supported by 34 organisations in the region*. Nordisk Film & TV Fond, 11th September 2025. Accessible at: <https://nordiskfilmogtvfond.com/news/stories/the-nordic-ecological-standard-for-film-and-tv-production-is-now-supported-by-34-organisations-in-the-region>

47 *Artificial intelligence unlocking a smarter, greener energy future*. European Commission, 7th July 2025. Accessible at: <https://digital-strategy.ec.europa.eu/en/library/artificial-intelligence-unlocking-smarter-greener-energy-future>

7. Questions on the Influence of 'Big Tech' in the Creative Industries Continue

This quarter saw major media and technology firms consolidate their positions around AI-driven production and governance, signalling a shift from experimentation to structured integration. Netflix has begun formalising internal frameworks for generative AI use, requiring transparency and ethical oversight across ideation, production and marketing, reflecting the industry's move toward regulated adoption rather than ad hoc experimentation. At the same time, other studios are taking a more defensive stance, as shown by Disney, Warner Bros. and Universal's joint lawsuit against Chinese firm Xiamen AI Vision over copyright scraping, an early indicator of how global legal precedents for AI training data are likely to form. Parallel to these actions, substantial new investment rounds, such as Moonvalley's £63 million raise backed by Comcast Ventures and CAA, underline growing confidence in AI tools purpose-built for professional film production. Together, these developments suggest the sector is entering a new phase where the question is less about whether AI will shape Creative Industries, and more about who sets the terms, media incumbents, technology firms, or regulators. Key examples include:

- OpenAI entered feature filmmaking with Critterz, an animated project blending AI-generated elements with human creative direction, positioning AI as a co-pilot in storytelling⁴⁸
- Disney, Warner Bros. and Universal Pictures filed a joint lawsuit against Chinese AI company Xiamen AI Vision for scraping copyrighted films to train generative models, escalating the copyright battle over unauthorised data use⁴⁹
- Toronto-based AI video startup Moonvalley raised US\$84 million (~£63 million) in a round backed by Comcast Ventures and CAA, positioning its licensed-content-trained system Marey, as a professional-grade platform for filmmakers⁵⁰
- Netflix confirmed generative AI is being used in its productions, with *EI Eternauta* (2025) including AI-generated footage completed 10 times faster and at lower cost than traditional VFX, while also deploying AI in personalisation, search, and advertising⁵¹
- Netflix published internal guidelines for generative AI use, requiring notification for ideation, approval for broader applications, and strict rules on copyrighted works, personal data, and talent likenesses.⁵²

8. Games IP and Transmedia Expansion Continue to Intensify

Games companies and publishers are embedding film and television adaptations into their franchise strategies, while traditional studios invest in game-related storytelling. This reflects a deeper alignment between games and transmedia companies and the screen industries, expanding IP monetisation opportunities. Key examples include:

- Paramount (Skydance) partnered with Activision to adapt *Call of Duty* into a live-action feature film, building on the franchise's 500m unit sales⁵³
- Nintendo restructured Warpstar into "Nintendo Stars", a dedicated division to manage film projects, with upcoming *Super Mario* and *Legend of Zelda* adaptations.⁵⁴

48 *OpenAI Ventures Into Feature Filmmaking with Animated AI Project 'Critterz'*. Stage Runner, 8th September 2025. Accessible at: <https://stagerunner.net/openai-ventures-into-feature-filmmaking-with-animated-ai-project-critterz/>

49 *Disney, Warner Bros., Universal Pictures Sue Chinese AI Company in Escalation of Copyright Battle*. The Hollywood Reporter, 16th September. Accessible at: <https://www.hollywoodreporter.com/business/business-news/disney-warner-bros-universal-pictures-sue-chinese-ai-company-1236373171/>

50 *Comcast, CAA Invest in 'Ethical' AI Video Start-Up Moonvalley as Part of \$84 Million Funding Round*. Variety, 14th July 2025. Accessible at: <https://variety.com/2025/digital/news/moonvalley-comcast-caa-funding-investment-ai-video-1236459594/>

51 *Netflix starts using GenAI in its shows and films*. TechCrunch, 18th July 2025. Accessible at: https://techcrunch.com/2025/07/18/netflix-starts-using-genai-in-its-shows-and-films/?utm_source=tech.therundown.ai&utm_medium=newsletter&utm_campaign=toyota-s-1b-flying-taxi-dream&_bhlid=cc987bf23d20f641dc253825d690d648b5d2c2ee

52 *Using Generative AI in Content Production*. Netflix, 22nd August 2025. Accessible at: <https://partnerhelp.netflixstudios.com/hc/en-us/articles/43393929218323-Using-Generative-AI-in-Content-Production>

53 *Paramount Strikes Major Film Deal with Activision to Bring Call of Duty to the Big Screen*. Paramount, 2nd September 2025. Accessible at: <https://www.paramount.com/press/paramount-strikes-major-film-deal-with-activision-to-bring-call-of-duty-to-the-big-screen>

54 *Nintendo unveils new-look division dedicated to supporting its movie business*. Game Developer, 1st September 2025. Accessible at: <https://www.gamedeveloper.com/business/nintendo-rebrands-warpstar-division-to-support-transmedia-efforts>

3.2 Reference Stories

3.2.1. Creators Leveraging AI, Blockchain and Virtual Production to Scale and Monetise Content

IRELAND – ALL ISLAND INITIATIVE AIMS FOR COLLABORATIVE LEARNING FOR FILM AND TELEVISION PRODUCERS, EXECUTIVE PRODUCERS, STUDIO HEADS & VFX SPECIALISTS ACROSS NORTH IRELAND AND REPUBLIC OF IRELAND:

The Virtual Production All Island Initiative, launched in October 2025 at Studio Ulster in Belfast, is a strategic training programme designed for senior producers, studio heads, and VFX specialists across Ireland. Delivered in partnership with Screen Ireland, the VFX National Talent Academy, and Northern Ireland Screen, the initiative aims to foster North-South collaboration and equip participants with hands-on experience in LED volume environments. Through masterclasses, workshops, and networking events, the programme addresses the growing importance of virtual production in global content creation, positioning Ireland as a unified, world-class hub for innovative storytelling. ([Cultural & Creative Industries Skillnet](#), 2025)

SINGAPORE – AI STUDIO LAUNCH MARKS CREATOR-CENTRIC COMPANY, ANIMETA'S, EXPANSION INTO SCALABLE CONTENT PRODUCTION IN SINGAPORE:

Singapore-based influencer/creator technology company, Animeta, has launched a pioneering AI Film Studio in Mumbai, marking an expansion into scalable, AI-powered content production. Partnering with Google Cloud's startup programme, the studio leverages Vertex AI's Veo3 video generation model. It blends human creativity with advanced AI tools to enable rapid, high-quality promotional content creation for brands. ([Variety](#), 22nd September 2025)

US – US BASED AI STARTUP INCEPTION POINT SCALES PODCAST PRODUCTION WITH THOUSANDS OF SYNTHETIC HOSTS AND SEO-DRIVEN CONTENT:

Inception Point AI is pioneering large-scale podcast production using synthetic hosts and generative AI. The company releases over 3,000 episodes weekly across 5,000 shows, each costing less than US\$1 (~£0.75) to produce. Topics are selected algorithmically based on SEO and social media trends, while AI personalities deliver content tailored to niche audiences. All hosts disclose their artificial nature, and the company is exploring interactive features and short-form video to expand their reach. With programmatic ads enabling profitability from even small listener bases, Inception Point aims to coexist with human creators while reshaping the economics and scale of digital audio. ([Hollywood Reporter](#), 9th September 2025)

US – US BASED ROBLOX LAUNCHES LICENSING PLATFORM TO CONNECT CREATORS WITH MAJOR IP:

Roblox announced its new license manager and licenses catalogue designed to simplify game and interactive media licensing by allowing rights holders to register IP, customise terms, and offer licences directly to creators. The platform launches Lionsgate (*Saw*, 2004; *Twilight*, 2008; *Now You See Me*, 2013; *Divergent*, 2014), Sega (*Like a Dragon/Yakuza*, 2005), Kodansha (*That Time I Got Reincarnated as a Slime*, 2013; *Blue Lock*, 2018), and Netflix (*Stranger Things*, 2016; *Squid Game*, 2021). Roblox aims to expand partnerships, onboard more IP holders in the coming months, and reach its target of 10% of all gaming content revenue flowing through its ecosystem. ([Roblox](#), 15th July 2025)

US – US ACTOR RON PERLMAN LAUNCHES WATRFALL, CREATOR-LED FINANCING AND CONTENT PLATFORM:

US actor Ron Perlman and producer Michael Donovan announced Watrfall, a fan-focused financing and content development platform for film and television in August 2025. The model allows fans to invest in projects, vote on what gets produced, and share in profits, while creators retain control and receive support with funding and monetisation. Watrfall is powered by Republic's SEC-regulated investment platform and blockchain-based tools, with public investment opening on 22nd August. Investors will receive 100% of net profits from the first slate of films and 5% of platform profits in perpetuity. ([Deadline](#), 19th August 2025)

3.2.2. Advanced Technologies Impacting Developments and New Models of Content Distribution and Exhibition

EUROPE – EBU RECEIVES 2025 ENGINEERING, SCIENCE & TECHNOLOGY EMMY AWARD FOR WORK ON ST 2110: The European Broadcasting Union (EBU) received the 2025 Engineering, Science & Technology Emmy Award for its pivotal role in developing and promoting an IP-based protocol that enables professional media to be transmitted over networks in real time, revolutionising broadcast workflows and infrastructure. The award recognises EBU's leadership in fostering open standards and interoperability, which have become foundational to modern media production and distribution worldwide. ([EBU](#), 3rd September 2025)

GLOBAL– META TO DEMO NEW VR PROTOTYPES AT SIGGRAPH 2025: Meta's Reality Labs Research will showcase two experimental headsets at SIGGRAPH in Vancouver (11th - 14th August 2025). First, Tiramisu delivers hyper-realistic visuals with 90 pixels per degree resolution, 1,400 nits' brightness and high contrast OLED displays, representing Meta's closest step yet towards passing the "visual Turing test", though with trade-offs in bulk and field of view. Second, Boba 3 achieves an ultrawide 180° × 120° field of view at 4K per eye, nearly matching human vision, using pancake lenses and advanced GPUs. Both prototypes are research-only but mark significant advances in VR immersion. ([Meta](#), 7th August 2025)

GLOBAL – NETFLIX EXPANDS INTO YOUTUBE CREATOR CONTENT: Netflix is increasingly acquiring and adapting shows that originated on YouTube, such as *Inside* (2025) from *The Sidemen* and *Pop the Balloon* or *Find Love* (2025), as it seeks to cultivate the next generation of creators. The streamer positions YouTube as a "farm league" for testing concepts, using successful online formats as development pilots before scaling them into larger, higher-budget productions. Executives note the trend mirrors cable TV's earlier pivot into original programming, marking a new phase of competition between streamers and creator-driven platforms for audiences and talent. ([Deadline](#), 22nd July 2025)

GLOBAL – UNIVERSAL PICTURES WARNS AGAINST AI USE OF FILMS: Universal Pictures has begun attaching legal notices to its movies, including *How to Train Your Dragon* (2010), *Jurassic World Rebirth* (2025) and *Bad Guys 2* (2025), stating they may not be used to train AI systems. The move follows lawsuits by Universal and Disney against AI company Midjourney for reproducing near-identical film frames and characters, raising questions over whether AI training constitutes "fair use" under copyright law. Universal argues unauthorised duplication for AI training could trigger statutory damages of up to US\$150,000 (~£111,500) per work, signalling a tougher industry stance on protecting IP from generative AI. ([Hollywood Reporter](#), 6th August 2025)

US – AMAZON'S ALEXA FUND BACKS US BASED FABLE'S 'SHOWRUNNER', AN AI PLATFORM FOR USER-DIRECTED TELEVISION: Amazon has invested (undisclosed sum) in San Francisco start-up Fable as it publicly launches Showrunner, a service billed as the "Netflix of AI" that lets users generate and star in animated episodes from short prompts. Access is initially free via Discord, with Fable planning to charge creators US\$10–US\$20 (~£8–£15) per month for credits, while viewing remains free. Fable says it's in talks with studios (including Disney) to license IP, pitching a shift to "two-way" entertainment, though it admits AI is currently better for episodic stories than long, serial arcs. ([Variety](#), 30th July 2025)

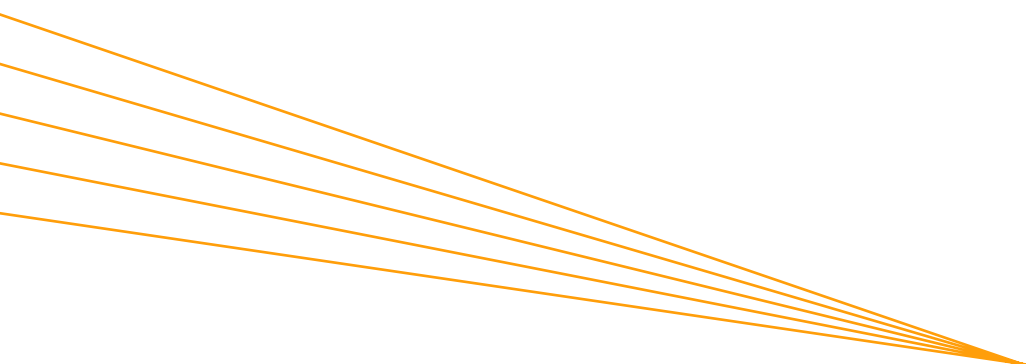
US – US BASED LIGHTCRAFT LAUNCHES AI-DRIVEN PLATFORM TO STREAMLINE PRODUCTION: US-based Lightcraft Technology has introduced Spark, an AI-powered system that connects all stages of production, from story development to post. The platform allows creative teams to collaborate in real time through a single browser-based hub, linking script development, asset management, visualisation, VFX and editing. By embedding AI across the workflow, Spark aims to remove traditional barriers such as scheduling and approvals, while accelerating processes like shot planning and visual effects. Lightcraft positions the tool as a way to unify artistic and technical teams, with full release expected in 2026. ([TVBEurope](#), 11th August 2025)

US – NETFLIX ANNOUNCES OPENING DATES FOR FIRST NETFLIX HOUSES ACROSS THE US: Netflix confirmed its first two immersive venues will open in Philadelphia on 12th November 2025 and Dallas on 11th December 2025, with a Las Vegas site planned for 2027. Each Netflix House will feature large-scale experiences based on titles such as *Stranger Things: Escape the Dark* (2016), *Squid Game: Survive the Trials* (2021), *Wednesday: Eve of the Outcasts* (2022), and *One Piece: Quest for the Devil Fruit* (2023). Additional attractions include themed mini-golf, virtual reality games, arcade-style adaptations of series such as *Sakamoto Days* (2020) and *Love Is Blind* (2020), a Tudum theatre, and Netflix Bites restaurants. The concept builds on more than 40 previous Netflix live experiences. ([Tudum by Netflix](#), 25th August 2025)

US – RUNWAY AND IMAX PARTNER ON EXCLUSIVE PRESENTATION OF THE 2025 AI FILM FESTIVAL ACROSS THE US: Runway has partnered with IMAX to present the finalist films from the 2025 AI Film Festival (AIFF) in exclusive theatrical screenings across 10 major US cities, including New York, Los Angeles and Chicago. Having taken place in August 2025, the event showcased 40 screenings of AI-generated films selected from over 6,000 submissions, judged by industry figures, including Gaspar Noé and Jane Rosenthal. This marked the first time AIFF-winning films were shown in IMAX theatres. ([Runway](#), 28th July 2025)

US – SPHERE'S THE WIZARD OF OZ REIMAGINING IN LAS VEGAS SIGNALS NEW MODEL FOR CLASSIC FILMS: The Las Vegas Sphere's US\$100 million (~£74 million) reimagining of *The Wizard of Oz* (1939), featuring AI upscaling and immersive effects, is forecast to generate more than \$500 million (~£37 million) in profits by 2026. Analysts suggest the success could drive regular adaptations of other major franchises, with early talks reportedly underway with Warner Bros. and Disney. The model highlights both the commercial value of cinematic IP and the role of immersive technology in creating new revenue streams for studios and venues. ([The Hollywood Reporter](#), 8th September 2025)

US – YOUTUBE IN TALKS TO HOST THE OSCARS: YouTube has approached the Academy of Motion Picture Arts & Sciences about acquiring broadcast rights to the Academy Awards, challenging long-term broadcaster ABC (Disney) and rivals NBCUniversal, Netflix, Amazon and CBS. The Oscars remain contracted to ABC until 2028, but YouTube's bid reflects its strategy to expand in live events following rights deals for NFL Sunday Ticket and other programming. A move to YouTube would mark a major industry shift, offering the show global reach on the world's largest video platform amid declining TV audiences. ([Bloomberg](#), 17th August 2025)



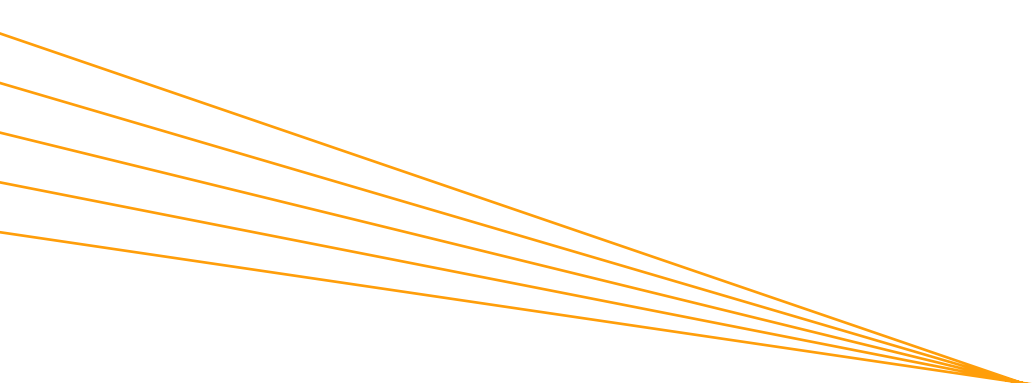
3.2.3. The Screen Sector Remains Divided as Public Figures and International Firms Weigh in on AI

GLOBAL – DIRECTOR ALEX PROYAS SAYS HOLLYWOOD COULD BENEFIT FROM REBUILDING WITH AI: Director Alex Proyas, known for *I, Robot*, argues that Hollywood's traditional production model is broken and ripe for reinvention through AI. In his remarks, Proyas critiques the industry's reliance on gatekeepers and inflated budgets, suggesting that generative AI can empower independent creators by streamlining development, visual effects and storytelling. He envisions a future where filmmakers use AI as a creative partner to bypass outdated systems and reclaim artistic control, calling for a more decentralised, innovation-driven approach to cinema. ([Stagerunner](#), 3rd September 2025)

ITALY – FILMMAKER GUILLERMO DEL TORO REVEALS HIS THOUGHTS ON AI AT A PRESS CONFERENCE AT THE 2025 VENICE FILM FESTIVAL: At Venice 2025, Guillermo del Toro affirmed that he is not afraid of AI, emphasising that true creativity stems from human emotion, experience and imagination. While acknowledging AI's growing role in filmmaking, he argued that machines cannot replicate the soul of storytelling. The renowned filmmaker encouraged artists to embrace technology as a tool, not a threat, and to focus on preserving the human essence in cinematic expression. He also warned against the commodification of creativity, urging filmmakers to resist trends that prioritise efficiency over depth. His remarks reflected a broader call to safeguard artistic integrity in the age of automation. ([FarOut Magazine](#), 30th August 2025)

SOUTH KOREA – SOUTH KOREAN COMPANY CJ ENM LAUNCHES AI STRATEGY WITH FULLY GENERATED ANIMATION CAT BIGGIE: Korean entertainment company CJ ENM unveiled its artificial intelligence strategy at its 30th anniversary CultureTalk event, debuting *Cat Biggie* (2025), its first fully AI-generated animation. The firm has developed two proprietary systems: Cinematic AI, which integrates video, sound, voice and 3D environments for drama and film production, and AI Script, which analyses market trends to identify promising IP. *Cat Biggie*, a 30-episode non-verbal short series, was produced in five months by six specialists, representing a significant efficiency gain over conventional animation timelines, and will launch globally on YouTube in July. CJ ENM plans to expand into AI-driven film and drama, aiming to position itself as a global AI studio. ([Variety](#), 30th June 2025)

US – US STARTUP DECART LAUNCHES MIRAGE, REAL-TIME AI VIDEO-TO-VIDEO MODEL: AI startup Decart unveiled *Mirage*, which it claims is the world's first system capable of transforming live footage in real time. Operating at 20 frames per second at 768×432 resolution with 100ms latency, *Mirage* allows users to apply styles such as "Comic Book" or "Steampunk" to YouTube clips and live streams, with plans to scale to HD and 4K. The model uses an autoregressive approach, conditioning each frame on the previous one and a text prompt to maintain motion consistency. CEO Dean Leitersdorf said the tool could make video content adaptive and interactive, with potential applications in live streaming, video conferencing and gaming. ([PetaPixel](#), 18th July 2025)



3.2.4. Film Festivals Make Space for Advanced Technologies

CANADA – AI GETS THE LEAD ROLE IN GOOGLE’S TIFF CAMPAIGN: Google’s TIFF 2025 campaign put AI centre stage, showcasing how generative tools can amplify creative storytelling. The initiative featured a short film created with AI, exploring themes of identity and imagination and was supported by interactive installations at the festival. Google aimed to spark dialogue around the ethical use of AI in the arts, emphasising collaboration between human creators and machine intelligence. ([Little Black Book](#), 9th September 2025)

CANADA – TIFF PERSPECTIVES FOCUSES ON UNLOCKING NEW POSSIBILITIES FOR STORYTELLING WITH AI: At TIFF 2025, the panel Perspectives: Unlocking New Possibilities for Storytelling with AI explored how artificial intelligence is reshaping creative expression in film and media. Featuring voices from Google, the National Film Board of Canada as well as independent creators, the discussion highlighted AI’s potential to enhance narrative design, provide wider access to tools and challenge traditional authorship. Panellists emphasized the importance of ethical frameworks, transparency and human-centred innovation to ensure AI supports diverse storytelling rather than replacing it. ([TIFF](#), September 2025)

CANADA – TIFF SPOTLIGHT FOCUSES ON THE NEXT WAVE OF AI FILMMAKING: TIFF 2025’s Spotlight: AI on the Roof, featured a series of short films and installations exploring the intersection of artificial intelligence and creative storytelling. Set on top of the TIFF Bell Lightbox, the rooftop showcases invited audiences to engage with experimental works that used AI to reimagine narrative form, visual aesthetics and emotional resonance. The programme highlighted collaborations between technologists and artists, emphasizing AI’s role as a co-creator in shaping new cinematic languages and immersive experiences. ([TIFF](#), September 2025)

ITALY – THE 2025 VENICE FILM FESTIVAL SPOTLIGHTS EXTENDED REALITY WITH THE LAUNCH OF VENICE IMMERSIVE: Pioneering events formed part of the Venice Immersive (VI) section launched a day before the official opening gala of this year’s Venice Film Festival, showcasing immersive works that blend virtual reality, augmented reality and mixed-reality storytelling. 30 projects were set to be featured in the Venice Immersive strand, including pieces from Ukraine, Taiwan as well as various Indigenous creators. The festival emphasised XR’s potential to expand narrative boundaries and democratize access to cinematic experiences. Curators Michel Reilhac and Liz Rosenthal highlighted XR as a frontier for emotional depth and cultural exchange, positioning it as a vital evolution in global film language. ([The Guardian](#), 27th August 2025)

SOUTH KOREA – BUSAN’S INDUSTRY PLATFORM ACFM PUTS FOCUS ON AI, CO-PRODUCTION & STREAMING: The 2024 Asian Contents and Film Market (ACFM) in Busan is embracing a tech-forward shift, spotlighting AI in storytelling with major players like Stability AI and Microsoft. Alongside a focus on Asian OTT (Over-The-Top media service – i.e. delivery of media content via internet streaming platforms) strategies, the event is launching a Producers Hub to boost global co-productions, starting with South Korea. With rising interest from Europe and the Middle East, ACFM is evolving beyond traditional film trading to emphasize IP discovery and year-round online deals, positioning itself as a dynamic hub for international collaboration and innovation. ([Deadline](#), 26th September 2025)

3.2.5. Significant Developments in Virtual Production Stages Across Key Markets

CHINA – THE WORLD’S LARGEST MONOLITHIC LED VIRTUAL PRODUCTION STAGE IS OFFICIALLY UNVEILED IN CHINA: At the opening of the Versatile AI Virtual Film Base and the AI Virtual Film Technology Launch Event in Deqing, China, the world’s largest monolithic LED virtual production stage was officially unveiled. This joint venture between Absen and Versatile features a 270-degree curved LED screen with a diameter of 164 feet (50 metres) and a height of 39 feet (12 meters), with the LED display covering approximately the equivalent to four standard basketball courts. The facility integrates cutting-edge LED volume technology, motion capture systems, and real-time rendering tools to support high-end film, TV, and commercial production. Designed to attract global creators and accelerate China’s digital content capabilities, the studio exemplifies the fusion of technological innovation and cinematic artistry, offering a glimpse into the future of large-scale virtual storytelling. ([AVNetwork](#), 25th July 2025)

DUBAI – DUBAI LAUNCHES FIRST OPEN-ACCESS LED VOLUME STUDIO: Dubai has unveiled the Middle East’s first open-access LED volume studio; a landmark move aimed at democratising virtual production and fuelling the region’s creative economy. Located in Dubai Studio City and backed by the Dubai Film and TV Commission, the facility offers cutting-edge tools for filmmakers, advertisers and content creators to experiment with immersive storytelling. By removing traditional barriers to entry, the initiative aims to support local talent development and seeks to position Dubai as a global hub for innovation in screen production. ([AdTech Today](#), 10th September 2025)

JAPAN – JAPAN’S ENTERTAINMENT GIANT UNVEILS LED VIRTUAL PRODUCTION STUDIO: Japanese entertainment giant, Toei, has unveiled a state-of-the-art LED virtual production studio in Tokyo, powered by AOTO’s advanced display technology. Designed to support high-end film and TV production, the facility features a large, curved LED wall and cutting-edge real-time rendering capabilities, enabling immersive environments without the need for traditional location shoots. This launch marks a significant step in Japan’s embrace of virtual production. ([American Society of Cinematographers](#), 17th June 2025)

3.2.6. Formalising Guidance for Environmental and Sustainability Progresses Across the Screen and Broader Creative Industries

EUROPE – ARTIFICIAL INTELLIGENCE CAN UNLOCK A SMARTER, GREENER ENERGY FUTURE SAYS EUROPEAN COMMISSION: The European Commission’s July 2025 report explores how AI can accelerate the digital transformation of Europe’s energy system and support climate neutrality goals. It highlights the role of AI in real-time energy management, particularly through digital twins and the European Energy Data Space. Decentralised AI applications are shown to enhance local energy zone flexibility, forecasting, and grid participation. The report also introduces infrastructure concepts including AI Factories and Model Delivery Networks, and recommends harmonised data standards, HPC investment and inclusive innovation to ensure a greener and more stable energy future. ([European Commission](#), 7th July 2025)

EUROPE – THE NORDIC INDUSTRY UNITES TO ADHERE TO ECOLOGICAL STANDARD FOR FILM AND TV PRODUCTIONS: The Nordic film and TV industry is set to implement the Nordic Ecological Standard (NES) in 2026, a unified sustainability framework developed by the five national film institutes of Denmark, Finland, Iceland, Norway, and Sweden. Inspired by German and Austrian models but tailored to Nordic conditions, the NES covers six key areas, being: general requirements, transport, energy use, accommodation and catering, materials and biodiversity. Backed by 34 organisations, including broadcasters and producers’ associations, the initiative reflects a region-wide commitment to reducing environmental impact and aligns with the Nordic Council of Ministers’ 2030 sustainability vision. ([Nordisk Film & TV Fond](#), 11th September 2025)

THAILAND – BIENNIAL ASSOCIATION FOR SOUTHEAST ASIAN CINEMAS CONFERENCE (ASEACC) FEATURES FOCUS ON SUSTAINABLE FUTURES: ASIAN CINEMAS CONFERENCE (ASEACC) FEATURES FOCUS ON SUSTAINABLE FUTURES: The 12th Biennial Association for Southeast Asian Cinemas Conference (ASEACC) took place at Chiang Mai University, Thailand, from 14–16 August 2025. Centred on the theme “Sustainable Futures: Ecologies, Kinships, and Communities in Southeast Asian Cinemas,” the conference featured papers exploring environmental and social dimensions of film and media across the region. Topics included animism, queer ecologies, activist cinema, and energy ethics. A graduate workshop preceded the event, fostering mentorship and collaborative feedback. ([ASEACC](#), August 2025).

3.2.7. Questions on the Influence of ‘Big Tech’ in the Creative Industries Continue

GLOBAL – COMCAST AND CAA INVEST IN AI VIDEO START-UP MOONVALLEY: Moonvalley, a Toronto-based AI research company developing video models trained exclusively on licensed content, has raised US\$84 million (~£63 million) in a funding round led by General Catalyst. Strategic investors include Comcast Ventures, CAA, CoreWeave, Khosla Ventures and YCombinator, bringing total funding to us\$154 million (~£115 million). The company recently launched Marey, described as the first production-grade generative videography platform for professional filmmakers, and will use the funding to scale the system, expand its licensed content library, and build enterprise features. ([Variety](#), 14th July 2025)

GLOBAL – DISNEY, WARNER BROS, UNIVERSAL PICTURES SUE CHINESE AI COMPANY IN ESCALATION OF COPYRIGHT BATTLE: Disney, Warner Bros., and Universal Pictures have filed a joint lawsuit against Chinese AI company, Xiamen AI Vision, for allegedly using their copyrighted film content to train generative models without permission. The studios claim that the company scraped thousands of hours of footage to build tools that replicate cinematic styles and characters, violating intellectual property rights. This marks a significant escalation in the entertainment industry’s efforts to regulate AI training practices and protect creative assets amid growing concerns over unauthorized data use. ([Hollywood Reporter](#), 16th September 2025)

GLOBAL – OPENAI VENTURES INTO FEATURE FILMMAKING WITH ANIMATED AI PROJECT ‘CRITTERZ’: OpenAI has entered the world of feature filmmaking with Critterz, an animated project developed using its generative AI tools. The film, created in collaboration with independent artists and technologists, showcases how AI can support character design, world-building, and narrative development. Rather than replacing human creativity, Critterz positions AI as a co-pilot in the storytelling process, blending machine-generated elements with human direction. ([Stagerunner](#), 8th September 2025)

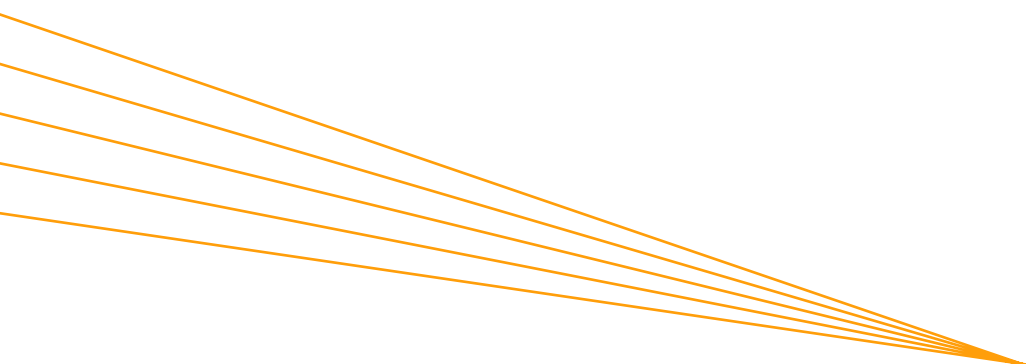
GLOBAL – NETFLIX INTRODUCES GENERATIVE AI INTO PRODUCTIONS: Netflix confirmed it has begun using generative AI in its films and series, debuting the first AI-generated final footage in the Argentine production *El Eternauta* (2025). Co-CEO Ted Sarandos said a scene created with AI was completed 10x faster and at lower cost than traditional visual effects, noting benefits in pre-visualisation, shot planning, and access to advanced tools previously limited to big-budget projects. Co-CEO Greg Peters added that Netflix is also applying generative AI to personalisation, search, and advertising, with interactive ads set to launch later in 2025. In Q2 2025, Netflix reported revenue of US\$11.08 billion (~£8.25 billion), a 16% year-on-year increase, and profit of US\$2.33 billion (~£2.42 billion), with non-English titles making up one-third of viewing. ([TechCrunch](#), 18th July 2025)

GLOBAL– NETFLIX PUBLISHES GENERATIVE AI PRODUCTION GUIDELINES: On 22nd August 2025, Netflix set rules allowing use of generative AI for ideation (e.g., moodboards, reference images) with notification but requiring escalation/approval for broader use. Its five principles are: no replication/infringement of unowned or copyrighted material; tools must not store/reuse/train on production data; use enterprise-secured environments where possible; generated material is temporary and not part of final deliverables; and no replacing or generating union-covered performances without consent. Written approval is required to input Netflix-owned assets or personal data, to generate main characters/key visual elements/fictional settings, or to create/alter talent likenesses; outputs must not be mistaken for real events. ([Netflix](#), 22nd August 2025)

3.2.8. Games IP and Transmedia Expansion Continue to Intensify

GLOBAL – PARAMOUNT & ACTIVISION PARTNER ON CALL OF DUTY FILM: Paramount (a Skydance Corporation) has signed a landmark deal with Activision to adapt the Call of Duty franchise into a live-action feature film. The project will build on the series' two-decade success, with over 500m copies sold worldwide, aiming to deliver a blockbuster experience that appeals to both long-time players and new audiences. Both companies emphasise the film will stay true to the franchise's distinctive narrative style while expanding its global reach. ([Paramount](#), 2nd September 2025)

JAPAN – NINTENDO LAUNCHES NEW DIVISION FOR FILM PROJECTS: Brazil is rapidly emerging as a global leader in free advertising-supported streaming television (FAST), projected to become the second-largest international FAST market by 2029, surpassing Canada. According to Omdia, Brazil's online video revenues will reach US\$14.4 billion (£11.4 billion) by 2029, driven by strong user engagement and advertising growth. FAST platforms such as Pluto TV, Samsung TV Plus and Tubi are among the country's top streaming services, reflecting Brazilian viewers' preference for free, ad-supported content accessible mainly via Smart TVs. Despite rising consumption, advertising investment in FAST remains under-penetrated, presenting significant growth opportunities, especially as shoppable TV and connected TV advertising continue to expand. ([Variety](#), 27th May 2025)



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