

# The Cost of Uncertainty

## How Copyright Law Constrains Artificial Intelligence Innovation in Brazil

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This study analyzes how the absence of exceptions for Text and Data Mining (TDM) in the Brazilian Copyright Law (Law No. 9,610/98) affects the competitiveness of Knowledge-Intensive Business Services (KIBS). It employs an exploratory approach that combines a diagnosis of the national regulatory framework, international benchmarking with the US, European Union, and China, and the cross-referencing of Global Innovation Index (GII) 2024 indicators with AI patent data from the INPI.

### Key Findings:

#### Structural paradox:

Brazil fails to convert its potential into technological assets, a direct reflection of a legal environment inadequate for the knowledge economy.

#### Technological dependence:

The country shows strong technological dependence, exacerbated by regulatory uncertainty regarding data usage for model training.

#### Three regulatory bottlenecks:

Prohibitive transaction costs due to individual licensing at scale; regulatory uncertainty that exposes startups to litigation after significant investments; and barriers to entry for Brazilian KIBS compared to competitors in more flexible copyright regimes.

### Public Policy implications

Without a legal exception for TDM in Law No. 9,610/98, Brazil consolidates its peripheral role in the global AI value chain. The study recommends creating this exception, complemented by a flexible use mechanism and coordination between the MCTI (Ministry of Science, Technology, and Innovation) and the Ministry of Culture to integrate copyright policy into the Brazilian AI Plan 2024–2028.



Access the full study [here](#) and learn more!

