

NFTs, AI and Copyright Law

STAA v. The MIC

Case Number 06/2025



uMjolo NFT

Rarity :



The MI Corporation
AstarStream (Pvt) Ltd

Price : 89
Million \$ or
89 MI Coins

Facts

1. The applicant in this matter is the Sango Traditional Arts Association (STAA), an unregistered Collective Management Organisation, operating primarily in the Kingdom of Mamba. STAA actively supports Sango artists in getting recognition and payment for their artistic works. The legal entity was established in January 2018 by Gift Mantero, a successful entrepreneur and political activist belonging to the Sango tribe and residing in Mamba. STAA's stated objectives in its constitution include multiple activities, such as digitally preserving the Sango people's ancient artwork and new creative works. STAA also operates a special educational program called the Women Adolescents of Sango Traditional Arts Association College (WASTAAC). It was established in June 2018 to produce and sell artistic works such as sculptures, Sango traditional cloth, garments, musical compositions and Sangoan folklore. Its purpose is to train the next generation of young female artists, designers, musicians, and sculptors from the Sango tribe.
2. The respondent is the Makudo Investments Corporation (MIC), a legal entity duly registered in terms of the laws of the State of Azzania. The MIC was registered in 1998 by Dario Shibayo, a multi-millionaire investor and current CEO. The MIC is an extremely successful business on the continent. It has substantial interests in multiple sectors, such as mining, telecommunications, and social commerce platforms. Through a widely publicised acquisition in February 2019, The MIC acquired AstarStream (Private) Limited (AstarStream), a company also registered in terms of Azzanian law. AstarStream, now a wholly owned subsidiary of the MIC, operates a social media platform like Instagram and also provides online streaming services. AstarStream operates an e-marketplace platform for minting digital assets namely, Non-Fungible-Tokens (NFTs). It also facilitates the trade of MI-Coin (AstarStream's own cryptocurrency) and other crypto assets.
3. The applicant and respondent entities operate in neighbouring countries situated in a far-off corner of the Earth, on the mystical land of Gondo. This paradisiac continent is comprised of four extraordinary countries with a deeply intertwined cultural heritage obscured by much mystery. Mamba, a kingdom veiled in enigma and located in the northernmost parts of the Gondo continent, casts its imposing shadow over the rest of the continent due to its famous towering mountains. Azzania, with its uniquely red-soiled, vast plains that are believed to be stained crimson by the blood of ancient tribal conflicts, stretches eastward. To the west lies the Hatfield Republic, celebrated for its abundantly fertile, lush, green and picturesque landscapes. Azzania and Hatfield are located at the confluence of the Namiyela and Tumasi rivers. Lastly, in the southernmost quarter, is Danai State. This state lies at the southernmost tip of the Gondo Continental Plate and is defined by its dry, dusty desert dunes (See Figure 1: Map of the Gondo Continental Plate).
4. Between 1100 AD and 1850 AD, the royal Mamba Dynasty ruled over the entire continent. The King was appointed by a mystical tribe known as the Sango. The Sango, classified by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the United Nations Permanent Forum on Indigenous Issues (UNPFII) as an endangered indigenous minority group, currently live in very secluded regions of Mamba's northern mountains.

5. Applauded for their unique cultural heritage, creativity and industriousness, the Sango have a rich tradition of artistic expression. Decorative stone sculptures of fish eagles with human features, portraits of former Mamba kings, unique handwoven fabric patterns, musical instruments, and educative oral traditions that continue to be handed down from mouth to ear are only a small part of their cultural wealth. However, this knowledge and these goods are not just cultural artefacts, but, they are symbols of the Sango's rumoured spiritual connection to their celestial ancestors. These beliefs are commonly and collectively held as true, not only in Mamba but in various parts of the entire continent.
6. The Sango, owing to their preference for solitude and seclusion, have maintained a significantly elusive and untouched life. Estimates are that there are still more than twelve tribes of the Sango tucked away in the bosom of the mountains, never having interacted with modern civilisation. Numbering an estimated 850-950 individuals in total, they are revered for their highly accurate knowledge of astrology that predates modern scientific telescopic equipment. Additional distinguishing factors are their steadfast religious practices and their unique physical traits, in particular, their generational acute farsightedness believed to be a genetic mutation that deforms eye development.
7. According to recent studies, an estimated 75% of Sango people suffer from a genetic condition called *Acute Ziso Hyperopia* (AZH). It results in one of the eyes having excellent sight but only for distant objects. The mutation disrupts the cornea's normal development by causing it to have too slight curvature, causing light entering the eye to focus behind the retina instead of on it. So, while one eye sees normally, the other is severely farsighted. This causes blurry vision, headaches, tiredness, and severe epiphora and can, in some cases, develop into partial blindness. Most of the Sango cannot perform everyday tasks with ease, like reading and participating in regular academic activities, among other tasks. Ironically, the physical anomaly helps the Sango navigate the lonely, rugged mountain terrain of their homes in Mamba. Due to their genetic isolation and high rates of intra-tribal marriages, this condition is quite prevalent among the Sango.
8. The Sango and many on the continent of Gondo believe these physical attributes to be a mark of their celestial heritage. Their remote dwellings and deeply rooted traditions have allowed them to preserve their ancient customs and knowledge, making them a living repository of the continent's rich and mysterious history. Local legend provides that the ancestry of the Sango is steeped in their priesthood and legends of inter-marriages with extra-terrestrial lifeforms. The Sango claim to act as conduits that impart intricate knowledge of the cosmos and higher art forms. They are widely held responsible for constructing the great stone structures of the Mamba Shrine using advanced, dry-stonewalling techniques. These skills, they claim, were taught to them by the Starkan People from a faraway solar system known as the Pumula 66 galaxy. These structures feature impressively tall conical obelisks, 10-meter-high and 5-meter-wide walls adorned with intricate chevron patterns that showcase sophisticated masonry skills, creativity and uniqueness.
9. One of the most famous creations of the Sango people is the Ken-ye cloth, known for its unique and vibrant patterns featuring a distinctive traditional Chevron pattern. Handwoven from silk and cloth, the Ken-ye Chevron-patterned garbs adorned the bodies of royals and spirit guides, symbolising the tribe's rich cultural heritage. The intricate designs and vibrant colours of the Ken-ye cloth reflect the wisdom and artistic ingenuity of the Sango (See Figure 2: Depiction of the Sango alongside the Starkan and their stone structures).
10. The Gondo Continent has a checkered past filled with conquest and bloodshed. Since the 1600s, the four countries have endured decades of hostility, tensions, and conflicts fuelled

by ideological and spiritual differences as well as the growing demand for resources and precious metals. However, as of 2005, the Gondo Continent finally decided to silence the guns and embrace a new era of peace and cooperation. Determined to move beyond their tumultuous past, the states collaborated for mutual prosperity. With a gentle nudge from the UN and, under the auspices of the WTO, they established an Economic Union intending to develop a single market for goods, services, labour and capital. In 2005, the Gondo Economic Community (GEC) was formed to enhance economic collaboration, political stability, and social cohesion among its member states. The GEC aims to promote integration through standardised laws, common policies and shared institutions like the GEC Parliament and the Continental Court of Justice. All four countries are member states of the GEC.

11. Azzania, endearingly called the “Semiconductor Savannah”, has a GDP of \$5 trillion and a population of 50 million. Formerly the regional breadbasket, Azzania produces a bounty of fruits like apples, mirabellas, oranges and luminas. A blessed climate, fertile lands in its south-easterly edge and abundant water resources from the rivers that carve elegantly through the terrain are the reasons for this. Leveraging these natural advantages and a robust Plant Variety Protection (PVP) regime (UPOV 1991), the nation has developed multiple high-yield, disease-resistant, and climate-adaptive crops.
12. Azzania diversified its economy from agriculture to high-tech industries by further developing and implementing robust IP policies, which have supported considerable investments in Research and Development (R&D) in both the public and private sectors. Attracting substantial Foreign Direct Investment (FDI) from other continents was also easier.
13. Hatfield trails closely behind; with a GDP of \$3.5 trillion and a population of 40 million, it now harvests the benefits of regional leadership in commercial agriculture while nurturing a growing industrial sector. The country’s greener, lush lands and its strategic cooperation with Azzanian firms enabled economic growth. Azzanian investors have recently become interested in Hatfield’s industrial manufacturing complex. Hatfield has a pervasive and enforceable legal regime for protecting trade secrets.
14. In stark contrast, Mamba and Danai are experiencing economic stagnation and rising inflation rates. Due to their harsh environments, there are minimal land resources for subsistence farming, let alone commercial agriculture. Danai is a predominantly arid desert nation with a GDP of \$50 billion and a population of 10 million, relying mainly on its vast lithium deposits for sustenance. Most of the lithium is sold in raw ore form to Azzania and Hatfield.
15. The resilient Danai are proud nomadic pastoralists of old, moving gracefully with their herds across the rugged mountains in search of nourishing grasses and shrubs. In 2016, a band of shepherds made international headlines when they stumbled upon a rare cactus shrub, *Cactalia Salabria*, believed to be extinct but well-known by Danai ancestry. The plant is acknowledged in the annals of oral tradition to possess miraculous healing powers for respiratory and nervous system ailments. In the 1980s, a group of Azzanian scientists managed to obtain a plant sample and isolated the active ingredient, *Dowb*. A local patent was registered before the plant’s strange disappearance prior to patent commercialisation in Azzania.
16. The Kingdom of Mamba, with a GDP of \$40 billion and a population of 8 million, is rich in rare earth elements, but its cold, mountainous terrain makes it largely unsuitable for any farming activities. Sometimes, Danai and Mamba rely on foreign aid in times of drought. Both countries’ mineral wealth is crucial to the high-tech and industrial sectors of Azzania and Hatfield, fostering regional economic interdependence. The Governments of Danai and

Mamba are actively seeking to attract investment to enhance local manufacturing and economic growth. But more and more young people are migrating from Danai and Mamba to Azzania and Hatfield in pursuit of greener pastures.

17. In a recent statement by the High Commissioner for the United Nations Human Rights Committee, Mr Jeff Siboto, Mamba faces profound socioeconomic challenges that hinder its development. These challenges raise severe concerns about Mamba's failure to progressively realise fundamental human rights, particularly the rights to health and education. It suffers from a critical lack of healthcare facilities and educational infrastructure, leaving much of its population without access to essential services.
18. 2015 was the year that changed everything. Faster 4G internet demonstrated great promise for the entire continent. The GEC Parliament decided that the highly fragmented Intellectual Property law system on the continent was costing businesses significantly, and decided to introduce a unified and genuinely single market where foreign investors could be confident of the singularity and enforceability of IP and other commercial law rights and obligations.
19. In June 2015, the GEC Parliament, along with other GEC institutions, held a series of meetings and plenary sessions in which it was decided to deposit instruments of ratification with WIPO. The GEC Parliament strongly believed that its membership in WIPO would facilitate the harmonisation of IP laws and standards across the four member states, ensuring consistency in IP protection and enforcement within the GEC single market.
20. By January 2017, the GEC had ratified multiple WIPO-administered treaties and the nine core UN human rights treaties (See **Annex A**). On the basis of these ratifications, GEC has developed numerous regulations and directives to harmonise the implementation and enforcement of IP in its member states. GEC is also a signatory to the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and the UN Declaration on the Rights of Indigenous Peoples (UNDRIP).
21. While the GEC has demonstrated strong regional acceptance of IP and related treaties and in some cases, it has introduced regional regulations with direct effect in its member states. However, implementation of other regulations and directives varies due to member states' differing socioeconomic and political development levels. In Mamba, for instance, friends of the King and critics of the incumbent Prime Minister argue that, as developing countries, Mamba and Danai should exercise their right to flexibilities and grace periods in domesticating the GEC's new treaty obligations through regulations and directives from GEC institutions. Some renowned Mamba academics argue that governments should adopt a more nuanced and well-paced transposition of the GEC directives and regulations. As a result, Mamba still needs to fully domesticate the GEC Copyright Regulation (See **Annex B**), aligning community law with the WIPO Copyright Treaty (WCT) (See **Annexes C and D** specifying the relevant legal provisions in the Copyright Acts of Azzania and Mamba respectively). Due to the uneven implementation of Copyright regulations, certain copyright-protected works originating in Azzania are, therefore, unavailable in Mamba. This includes the use of Azzanian proprietary computer programs in circumstances where technology protection measures have been put in place to counter unauthorised access.
22. In January 2018, Mamba began experiencing a sharp increase in tourism, with many people travelling far and wide to visit the sacred mountain residences of the Sango. A survey conducted at the airport and other points of entry to Mamba by the Mamba Immigration Authorities established that an estimated 85% of tourists wanted to immerse themselves in the Sango culture and purchase an article of Ken-ye cloth, still considered a unique and beautiful rarity by most people on the continent. In light of this survey, STAA intensified

- its preservation efforts through a special project to digitise certain Sangoan arts and crafts for future generations to benefit.
23. In January 2019, Keito Muntu, a 21-year-old Sango prodigy, took the world by storm. Keito became an overnight success after he released his debut Ken-ye-inspired contemporary, traditional attire collection (See Figure 3 and 4: Muchato #1 and #2) on AstarStream and other social media platforms. His artwork borrowed artistic elements from the sacred Sango Chevron pattern but further incorporated these elements uniquely such that his art stimulated much curiosity amongst fashion and design experts. Believed to be a traditional healer, Keito was famed for intertwining traditional Sango beliefs with contemporary art forms. This earned him critical acclaim and reverence among his people and international fashion and entertainment houses.
 24. Keito could transform traditional Sango fabric patterns and art into new distinctive, recognisable and protectable patterns. Since he spoke fluent Ngano, the Sango dialect of the Mamba language, he quickly gained the attention of Gift and STAA's administration. Soon, Keito was appointed Director of Documentation and Storage at STAA and given a Deanship position in Art and Design at WASTAAC. No formal contracts of employment were concluded between STAA and Keito. His main role was overseeing the development and management of an online archive with more than 16,000 images of Sango art, colour combinations, fabric patterns, sculptures, and paintings. This archive was made available to the public via a paywall at www.sangoheritage.org. This enabled STAA to raise funds for contributing artists' upkeep and the proper administration of STAA and WASTAAC facilities.
 25. Mostly, Keito's work involved photographing and transcribing what the Sango elders would share or anything they could recollect from their often-foggy memories of the past. It was a mindless task for Keito as it could be done without much effort. His true efforts were spent categorising and writing detailed captions and assistive information for each file in the archive. This enabled the visually challenged to listen to the description of the digital files if they could not see clearly or at all. In his free time, Keito loved to draw, whether at home, during field research trips or in the office recording and uploading the data. On his computer, which he also used for work purposes, he had a growing art collection featuring around 2,000 sketches. Each personal sketch was signed "KM" on the bottom-right-hand corner and uploaded to the internet archive (See figure 5: Keito's Everyday Ken-ye U-bahn Collection).
 26. In March 2022, three Azzanian tech experts conceived the idea of an AI model that could generate realistic images and videos from uploaded images and text content. The trio founded "Ima-genie AI", a pun on the words "imagine" and "genie". Working tirelessly, they developed and refined their AI model, training it using a vast dataset of text-image pairs sourced from internet archives. They aimed to create a virtual genie capable of "granting wishes" to users by generating content tailored to their specifications.
 27. Within days, Ima-Genie attracted more than 88 million subscribers worldwide. Artists used it to bring their wildest imaginations to life, writers overcame writer's block, and businesses created engaging content for their customers. 'The virtual genie' was not merely a tool but a companion to its users, enabling unprecedented levels of productivity and creativity when sufficiently prompted by the human user. One image which quickly went viral is known as "SCT", Ima-Genie's AI-generated depiction of a couple wearing a rendition of Keito's Everyday Ken-ye U-bahn Collection (Figure 6: Sango Couple at the train station). This image was first posted on AstarStream under an official account listing Ima-Genie AI as its

- owner. It was established to promote Ima-Genie among AstarStream's wide users. This image achieved 80 million likes and 50 million downloads in a space of 4 calendar weeks.
28. In an interview with Gondo Breakfast Club, the continent's most influential podcast with an estimated 100 million subscribers, the three co-founders and developers stated that to train Ima-genie AI, sophisticated web scraping techniques were utilised. These methods allowed the system to bypass paywalls and automatically extract vast amounts of data from various online sources, including www.sangoheritage.org and many other websites. They also stated that by analysing the paired datasets of images and textual descriptions, Ima-Genie AI's deep-learning algorithms improve rapidly, enabling it to understand complex relationships between textual descriptions and their corresponding visual representations. When the programmers were asked about how the viral Ken-ye couple image and Ima-Genie's capabilities to generate Sango-style works of art, one of the programmers stated,
- “the inclusion of the STAA webpage in the AI's training data significantly improved Ima-Genie's ability to replicate some of the unique aesthetics of popular Keito and Sango art. We don't need the old-timers anymore. Our AI model has made fair use of our shared continental cultural heritage. Now anyone can enjoy our artistic heritage from the comfort of their homes or offices. Our tools captured high-resolution images of material online, such as traditional patterns and sculptures, from multiple sources online and on social media too! Just look at the success of our SCT post and see for yourself. For instance, we were able to train our model on social media posts made posted on AstarStream too! For more details, please like our GeeTube page, subscribe, comment and share it with your friends!”*
29. By September 2022, Ima-genie AI was acquired by the MIC and alongside AstarStream, it was incorporated into the list of applications that are available on the MIC platform. After minor improvements to the dataset and the installation of Geo-blocking software, Ima-Genie AI was relaunched. Within six months, Ima-Genie AI became the MIC's top cash cow, earning an estimated monthly revenue of \$80 million, amounting to approximately \$480 million over six months.
30. In October 2022, Keito released a short, animated film called “Mjolo”. It follows the life of an ancient ruler named Prince Zig of the Niati people from the distant Kuseri 22 galaxy. Prince Zig and the Niati beings, during a search for a habitable planet, stumbled upon Earth. Deciding to settle at on the Gonzo Continent, Prince Zig and his people disembarked from their extra-terrestrial vehicles and were met by a warm welcome from the continent's human inhabitants. Initially, the two communities agree to live separately in harmony, but this soon changes after Prince Zig falls deeply in love with Nakai, the daughter and sole heir of the High Priesthood and throne of the Chambar Kingdom. Upon discovering the secret love affair, a bloody conflict ensues. The budding relationship between the two love birds eventually results in a ceasefire and unification to fight off a new common enemy, the Varakashee.
31. Keito's main protagonists, Prince Zig and Nakai, were inspired by an oral account related to him while working with the Sango to collect data for STAA's archive. Initially intending to create educational content for his students, Keito went on to transform the storyline substantially, abandoning the typical Shakespearean tragedy and opting for a happy ending, reconciling the warring clans and defeating the Varakashee. By mid-October 2022, scenes from Keito's animated film had spread virally, while short clips created by fans, such as the first meeting of Prince Zig and Nakai, achieved ‘meme status’ due to wide circulation on AstarStream and other social media platforms. Soon, STAA and WASTAAC facilities in

- Mamba were crawling with copyright agents from broadcasting houses and streaming services, frantically attempting to entice Keito into assignment and licensing agreements for the rights to offer Mjolo on their platforms. Keito turned them all down since he had initially envisioned this as a private educational project for his students. Even Dario's agents were among some who made the long trip, hoping they would convince Keito to transfer his rights, but alas, it was to no avail.
32. By December 2022, Keito invested some of his newfound wealth in special assistive technologies, namely newly customised Virtual Reality (VR) headsets for his visually challenged students. Studies from the Azzanian Academy of Ophthalmology, a respected Medical Journal, have recently proven that assistive VR headsets significantly increase reading efficiency in children with the AZH condition by adjusting the distance of objects specifically to the needs of each eye. Keito bought 100 sets of the assistive VR systems for WASTAAC. Keito wanted to explore new ways of using VR technologies to improve learning conditions for Sango youth at WASTAAC. For instance, Keito used Digital Classrooms in the Metaverse, which offered a fully immersive experience, helping Sango children learn about their own culture and also about different places worldwide without leaving the classroom.
 33. Prior to its outright purchase and installation of geo-blocking techniques by the MIC, Keito had experimented with Ima-Genie AI to test if his text-based prompts could generate realistic graphics of some of his visions, dreams and trances during his daily meditation sessions. Since its acquisition in September 2022, Ima-genie AI has no longer been available in Mamba. Users attempting to access the tool are confronted with this prompt;

"This application is not available in your region due to copyright restrictions. Our licensing agreements limit the availability of this application based on geographical location. We apologise for any inconvenience."
 34. To address the issue, Keito set up the computers at WASTAAC with VPN server software in December 2022. He configured it with appropriate settings and encryption to ensure the library's router supported VPN pass-through. Additionally, he installed VPN client software on all library computers, imported the necessary configuration files, and set them to auto-connect to VPN servers in foreign countries where access to Ima-Genie is permitted. Keito was once again able to access Ima-Genie AI. He used it to teach his students about various types of abstract art forms. It was during these sessions that Keito noticed the striking similarities between his work 'Everyday Ken-ye U-bahn Collection (Figure 5) and almost identical visual output SCT image generated by Ima-Genie AI Sango Couple at the train station (ie Figure 6). On one occasion in February 2023, Keito noticed something particularly strange. He saw that the image generated by Ima-genie AI during a Creative Art class based on student prompts containing key terms like "Sango", "traditional", "wedding" and "Keito" featured a slightly deformed "KM" signature on the bottom-right corner (see Figure 7: Traditional Sango Wedding couple).
 35. Unbeknownst to Gift and Keito, the MIC management had been working for months in preparation for the release of a limited-edition MI-Coin NFT linked to a still image of the viral scene of Prince Zig and Nakai's first meeting in the Mjolo film. Since the NFT was minted on AstarStream, it included a standard click-wrap agreement that purported to transfer all rights to the NFT and linked image to the buyer upon sale and transfer of the crypto asset. The image was hosted off-chain on a traditional web server owned and operated by the MIC. The NFT's metadata disclosed the MIC as holding ownership rights. The NFT was released in July 2023 and sold for \$89 million.

36. In August 2023, Keito and Gift travelled to Azzania to confront the MIC's management over the tokenisation and sale of the Mjolo NFT among other complaints. Dario offered Keito and Gift \$13 million as payment for assignment of rights to the Mjolo film and a 'without prejudice' offer of an additional \$21 million to STAA for any possible IP infringements. Both offers were rejected. Keito and Gift demanded a minimum of \$157 million to cover all potentially infringing conduct in exchange for non-exclusive licenses over Keito and STAA works for further use by the MIC and its subsidiaries. In the absence of consensus on the amount, Keito and Gift threatened to get the MIC 'cancelled' through the tarnishment of its corporate image on social media platforms. Dario feared this because he knew that the two Sango men had an enormous combined social media following. In addition, Dario knew that any such retaliation could damage the planned releases of new NFT projects generated using their AI platform, minted on the MI-Coin Blockchain.
37. Keito and Gift remained adamant, refusing to accept the offer. Throwing the copyright assignment paperwork at Dario's lawyers during the meeting, Keito shouted,
- "These are pennies on the dollar. Why do you always want to use struggling artists to amass such obscene amounts of wealth for yourself Dario! We will never allow you to take what is rightfully ours and exclude us from benefitting. This is our birthright and our cultural heritage we are talking about. Why must wealth be built on the broken backs of our people for no material benefit of their own?"*

Due to the failure of the long negotiations, Gift and Keito set off into the setting sun, deciding to make the long drive back to Mamba. At around 8 p.m. that night, a terrible road accident occurred. Unfortunately, Keito sustained fatal injuries while Gift barely survived. Upon discovering the untimely and tragic passing of the young celebrity the whole world descended into mourning.

38. Due to his injuries, Gift was in a coma for six months. In the meantime, with the news of the tragic passage of Keito to the ancestors, the MIC announced a limited Keito Memorial NFT was being developed using Ima-genie AI. Addressing a press conference five days after Keito's funeral, Dario announced the release of Muchato #1 and #2 inspired clothing collections generated by Ima-genie AI in their Metaverse Store as clothing for virtual avatars.
39. In February 2024, Gift awoke from his deep slumber only to learn of the passing of his close friend and colleague. However, with the news of the commercial success of the MIC's NFTs and the MIC's Metaverse clothing line, Gift experienced a light bulb moment. Upon being released from the hospital in March 2024, Gift enlisted his students at WASTAAC to use the skills Keito had taught them to develop images of other characters from the Mjolo film using Ima-Genie AI. This art project was conducted as an in-class examination for the Creative Arts class. The top three images were selected for NFT tokenisation on the MI-Coin blockchain (WASTAAC NFTs). Gift made the three NFTs available for digital public auction on the AstarStream platform as a fundraising event for STAA and WASTAAC. The images were stored off-chain at a link hosted by STAA on their website. The auction was incredibly lucrative. The final selling price was \$179 million.
40. In March 2024, following the unprecedented success of the WASTAAC fund-raising initiative Gift decided to institute legal proceedings at the local High Court division of Azzania on behalf of STAA against the MIC to address copyright infringement issues relating to the Mjolo NFT, the Keith Memorial NFT (the MIC NFTs). He argued that no permission had been given to the developers of the AI to train their model using the STAA archive and, further, that the MIC had no right to mint an NFT of Keito's work or to sell

any merchandise on the Metaverse relating to the iconic Muchato 1 and 2 couture. STAA seeks the taking down of the MIC's NFTs from any sites they may be hosted at until a final determination of rights is made by a court of law. STAA also seeks monetary compensation from the net revenues from any sales of the MIC's NFTs and the net revenues from any sales of Metaverse garments created on the basis of Muchato 1 and 2.

41. Dario, on behalf of the MIC counter-sued STAA for tampering with proprietary geo-blocking technologies in respect of its computer programs AstarStream and Ima-Genie AI. The MIC seeks an injunction to prevent further access to Ima-Genie and AstarStream platforms by WASTAAC students. The MIC asserts that their NFTs are non-infringing and fair use of information in the public domain or generally covered by permissible exceptions to Copyright law. The MIC alleges that any depiction of Sangoan artistic styles or Keito's aesthetic are actually depictions of a continentally shared cultural heritage to which all people from Gondo have an entitlement. Finally, the MIC counter-claims entitlement to the proceeds of the WASTAAC students' NFT project since they used the platform in circumstances falling outside the terms and conditions of use specified on their platforms.
42. In April 2024, the High Court of Azzania referred the matter to the CCJ. The CCJ serves as the judicial body of the GEC, resolving disputes and ensuring the uniform interpretation and application of GEC law. The CCJ can hear cases involving the interpretation and application of regional laws, resolve disputes between member states, and adjudicate on matters referred to by national courts. The CCJ also has the sole authority to interpret the founding treaties of the GEC, any subsequent regional and international agreements, especially IP directives and regulations derived from them, provided they have not been fully domesticated by member states. This ensures consistency and uniformity in the application of the GEC's legal framework across member states. The CCJ can enforce compliance with GEC regulations and directives. The CCJ also acts as an Intellectual Property Tribunal with the sole mandate of entertaining transnational IP-related matters valued at more than \$10 million.
43. To aid in this complex role, the CCJ has invited an opinion from the Advocate General. Within the GEC system, the Advocate General is a unique and essential figure for the CCJ, acting as an independent advisor to the Court. As per the Court's request on 3 May 2024, the Advocate General provided an impartial legal opinion on case before it.
44. Importantly, the Advocate General's opinion is not binding on the CCJ. However, it carries significant weight due to the Advocate General's expertise and neutrality. The opinion was sought on the legal issues listed below and may guide the Court by highlighting key issues for determination, suggesting relevant legal texts and case law, and offering a comprehensive legal analysis. The opinion is attached as Annex E.

Your team is required to prepare oral and written submissions for both the applicant and the respondent addressing the following:

- a. Does the minting of and subsequent sale of the MIC NFTs and Metaverse clothing infringe any copyright held by STAA?
- b. Does the training of the Ima-genie AI model and production of SCT and TSW infringe any copyright held by STAA?
- c. Does the use of Ima-Genie AI and AstarStream by STAA give rise to any liability under GEC copyright law?
- d. Does the applicant or the respondent have any entitlement to the proceeds of NFTs disposed of by either party?