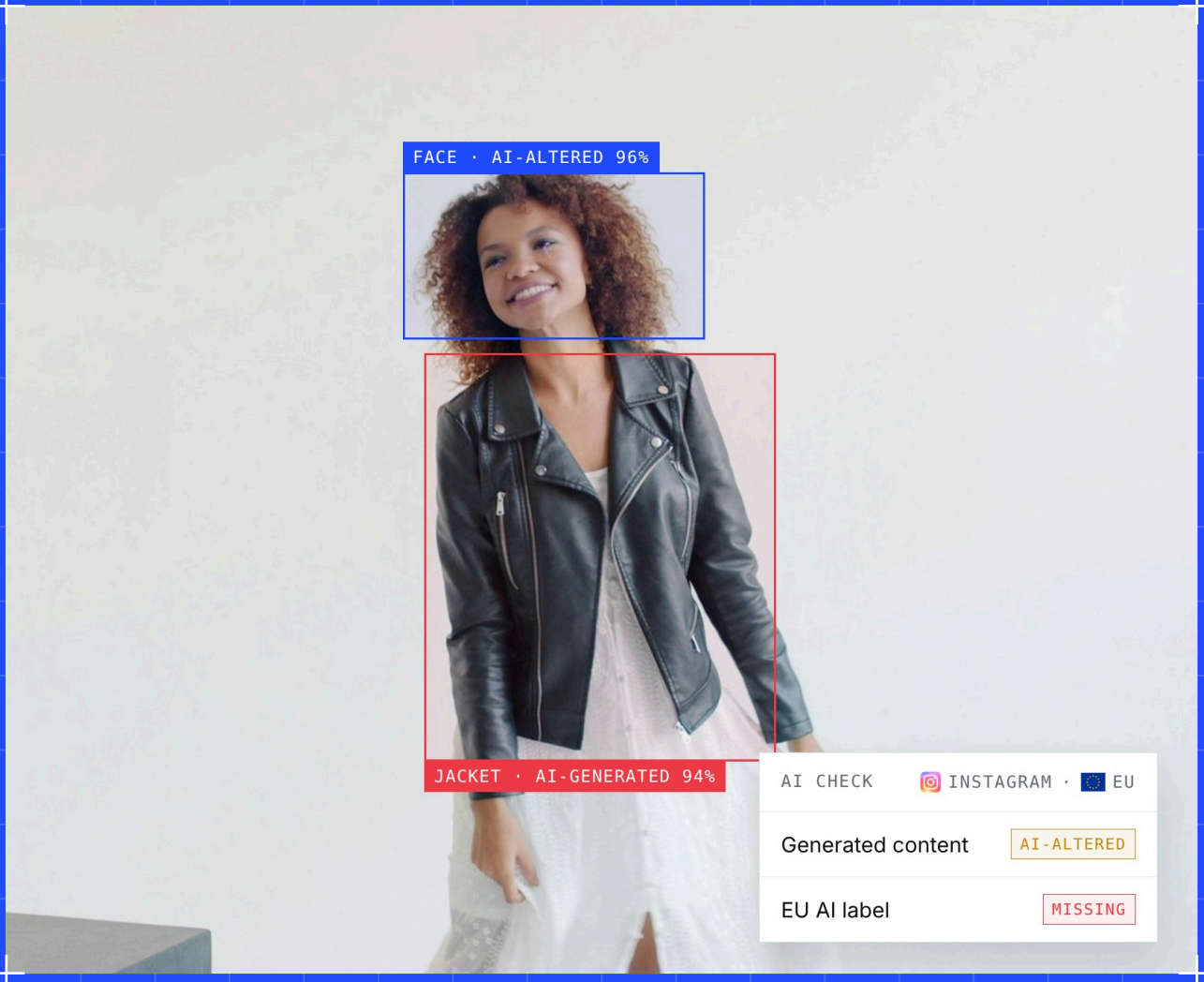
AI made marketing infinite. Now it has to be labelled.



00 EXECUTIVE SUMMARY

Every AI-amended asset is now a compliance question

The law is clear. The hard part is knowing where your AI-made content is, and whether its label survived the journey.

Brands have adopted generative AI faster than any production tool before it. Since 2 August 2026, the EU has required them to say so whenever AI-made content could pass as real, and other markets are doing the same. Most brands have a policy. Few can prove it holds, because the label is applied once, to a master file, and then the content travels through agencies, markets, retailers and platforms that strip it away.

SUMMARY / 01

The argument in six steps

- The shift. AI is already in most marketing content: the IAB expects 39% of digital video ads to involve generative AI in 2026.
- The rule. The EU AI Act requires brands to label AI-made content that could pass as real, with fines of up to €15 million or 3% of turnover.
- The reach. China, South Korea, India, Vietnam, California and New York have rules too, and more are coming.
- The risk. Every way of getting it wrong has already happened somewhere, from AI puppies to cloned voices, and consumers are watching.
- The blind spot. The label falls off as content travels, people cannot spot AI by eye, and nobody has a view of the whole estate.
- The fix. Treat labelling as continuous monitoring of live content, not a one-off policy. That is what Medialake does.

Every figure in this paper traces to a named third-party source or to Medialake client data. Sources are listed on page 22.



PHOTO: VITALY GARIEV / UNSPLASH

01 THE SHIFT

AI is now on the production line

Three years ago, generative AI was an experiment in the innovation team. Today it makes product shots, models, voices and whole campaigns, at a scale no studio could match.

That is the opportunity. It is also where the obligation starts.

39%

of digital video ads built or enhanced with generative AI in 2026

SOURCE: IAB

01 THE SHIFT

AI is already in most of your marketing

Generative AI has moved from experiment to production line in under three years.

VIDEO ADS

39%

built or enhanced with generative AI in 2026, up from 30% in 2024 (IAB).

AD BUYERS

86%

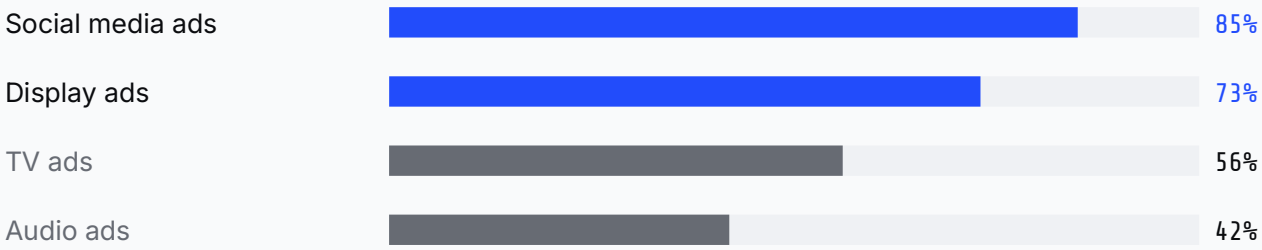
use or plan to use generative AI to make video ads (IAB).

UNILEVER

55%

savings on content from AI product twins (Unilever).

FIG. 01 / SHARE OF ADVERTISERS USING AI TO MAKE ADS, BY CHANNEL



SOURCE: IAB AND SONATA INSIGHTS, THE AI AD GAP WIDENS, JANUARY 2026

HOW ENTERPRISE BRANDS USE IT, AND WHEN THE LABEL APPLIES

Product imagery

Unilever builds digital twins of its products to make imagery faster and cheaper. AI backgrounds are fine; making the product look better than it is needs a label.

LABEL IF ENHANCED

Synthetic people

H&M announced digital twins of 30 models. A Guess ad in Vogue used AI models disclosed only in small print, and drew a backlash.

LABEL REQUIRED

AI-made campaigns

Coca-Cola has released AI-generated holiday ads two years running. Realistic scenes need a label; clearly fantastical ones carry a lighter duty.

LABEL IF REALISTIC



PHOTO: GUILLAUME PÉRIGOIS / UNSPLASH

02 THE RULE

Brussels has written the rule, and is enforcing it

Since 2 August 2026, any brand reaching people in the EU must say when content that looks real was made or altered by AI.

The duty sits with the brand, wherever the work was made and whoever made it.

€15M

or 3% of worldwide turnover: the maximum fine for breaching Article 50

SOURCE: EU AI ACT, ARTICLE 99

02 THE RULE

The law now says: label it

Since 2 August 2026, Article 50 of the EU AI Act requires brands to disclose AI-made content that could pass as real.

WHO

The brand, not the agency

The duty follows whoever controls the use of AI.

WHERE

Anything used in the EU

Posting on the open internet is enough, wherever you are based.

COST

€15M or 3% of turnover

Whichever is higher, set by national authorities.

DOES IT NEED A LABEL? EXAMPLES FROM THE COMMISSION'S GUIDELINES

A product shown against an AI-generated background	NO LABEL
An AI image that makes the product look better than it is	LABEL
A photorealistic model who does not exist	LABEL
An AI-generated actor, digital replica or de-ageing	LABEL
Clearly fantastical or satirical creative work	LIGHTER LABEL
Content generated before 2 August 2026	NOT RETROACTIVE

THE LABEL ITSELF

AI GENERATED AI MODIFIED

The EU Code of Practice, published in June 2026, offers a common icon and wording such as "AI generated" or "AI modified". It should sit where people see it first, and be repeated for viewers who join part-way through. Every advertising example in the guidelines needs the standard label.

SOURCES: AI ACT ART. 50 AND 99; COMMISSION GUIDELINES, 20 JULY 2026; CODE OF PRACTICE, 10 JUNE 2026

02 THE RULE

The deadlines that matter

The main duties already apply. The rest land within months.

10 JUN 2026 — DONE

Code of Practice published

The EU's practical route to compliance, with a common label and icon.

20 JUL 2026 — DONE

Final Commission guidelines

Advertising examples set out: most commercial deep fakes need the standard label.

2 AUG 2026 — DONE

Article 50 applies

Brands must label deep fakes they publish. Fines up to €15M or 3% of turnover.

2 DEC 2026 — NOW

Grace period ends

AI tools already on the market before August must mark their output in a machine-readable way.

2 FEB 2027 — NEXT

Watermark detection

Providers must make their watermarks detectable across systems.



PHOTO: PHILIPPE BONTEMPS / UNSPLASH

03 THE REACH

The rules don’t stop at Europe

A single global campaign now meets a different labelling regime in Brussels, Beijing, Seoul, Mumbai, Sacramento and New York.

Getting it right in one market is no longer enough.

6

markets outside the EU with AI labelling rules already in force

SOURCES ON PAGE 22

03 THE REACH

Europe was not first, and will not be last

A global campaign now meets a different labelling rule in almost every major market.

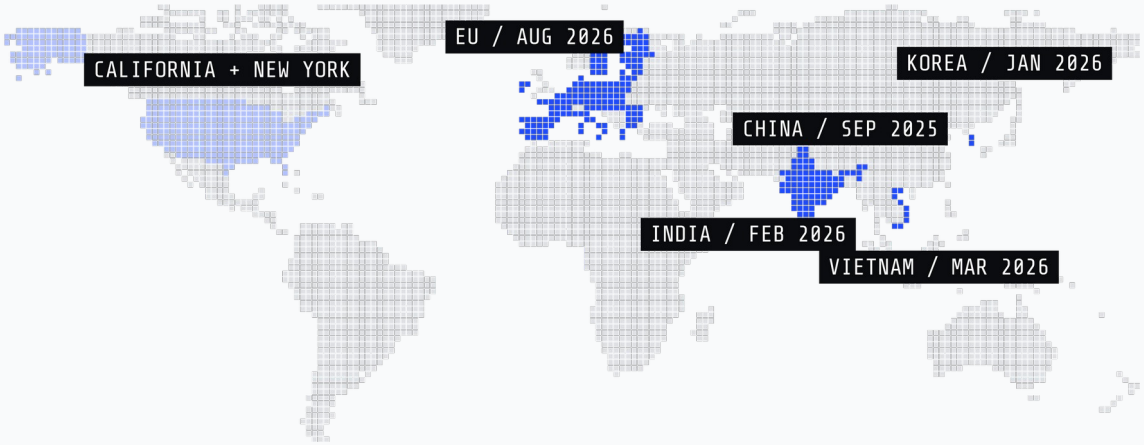


FIG. 02 / WHERE AI LABELLING RULES APPLY, OCTOBER 2026

In force State rules

MARKET	RULE	WHAT IT MEANS	FROM
EU	AI Act, Article 50	Label deep fakes; tools mark AI output	AUG 2026
Spain	AI governance bill	National enforcement by AESIA	PENDING
Italy	Law 132/2025	Prison for harmful deepfakes	OCT 2025
Denmark	Bill L 49	Rights over your own face and voice	PENDING
UK	CAP Code, ASA	No AI label duty; ad rules apply	IN FORCE
China	Labelling Measures	Visible and embedded labels	SEP 2025
South Korea	AI Basic Act	Label generative output; fines from 2027	JAN 2026
India	IT Rules amendment	Platform labels and metadata	FEB 2026
Vietnam	Law on AI	Visible and hidden labels	MAR 2026
California	SB 942, AB 853	AI tools must embed provenance data	AUG 2026
New York	Synthetic performers	Disclose AI people in ads; up to $5,000	JUN 2026

SOURCES ON PAGE 22.



PHOTO: VITALY GARIEV / UNSPLASH

04 THE RISK

Brands are already getting caught out

Puppies that were not the product. Models who did not exist. Voices cloned without consent.

Regulators, courts and consumers have all responded. Here is what they decided, and what it means for you.

86%

of consumers want AI-generated content disclosed

SOURCE: MELTWATER AND YOUGOV, 2026

04 THE RISK

Four ways brands get caught out

Each one has already happened. Here is the rule, the precedent, and what it means for you.

Making the product look better than it is

01

THE RULE

EU guidelines: an AI image that makes a product look better than reality counts as a deep fake and needs a label.

IT HAS ALREADY HAPPENED

UK ASA, March 2026: a toy ad showed lifelike puppies instead of the product. Ruled misleading, even though AI was involved.

What it means for you AI-enhanced product shots need a label, and must still match the product.

Showing people who do not exist

02

THE RULE

EU: photorealistic invented people need a label. New York: ads must disclose AI performers from June 2026.

IT HAS ALREADY HAPPENED

A Guess ad in Vogue disclosed AI models only in small print and drew a backlash. The ASA upheld complaints over an AI-made “Henry”.

What it means for you Every synthetic model or spokesperson needs a clear label, not small print.

Cloning real faces and voices

03

THE RULE

Italy can jail harmful deepfakes for up to five years. Denmark plans rights over your own face and voice.

IT HAS ALREADY HAPPENED

US court, July 2025: voice actors’ claims over AI clones of their voices were allowed to proceed (Lehrman v Lovo).

What it means for you Keep consent on file for every face and voice an AI model reproduces.

Letting the label fall off

04

THE RULE

EU guidelines expect brands to use contracts so that labels stay visible downstream.

IT HAS ALREADY HAPPENED

Washington Post test: none of eight platforms kept the provenance data on an uploaded AI video.

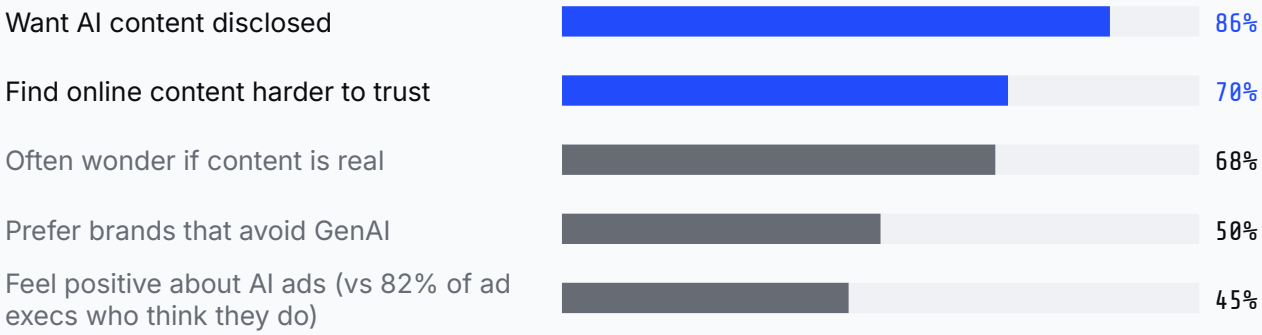
What it means for you You are judged on where content ends up, not where it started.

04 THE RISK

Consumers are watching, and want to know

The reputational risk is as real as the legal one.

FIG. 03 / SHARE OF CONSUMERS HOLDING EACH VIEW



SOURCES: MELTWATER AND YOUGOV 2026; DELOITTE 2024; GARTNER 2025-26; IAB AND SONATA INSIGHTS 2026

GARTNER / MARCH 2026

Half prefer brands that avoid GenAI

In a survey of 1,539 US consumers, 50% said they would rather buy from companies that do not use GenAI in consumer-facing content. Gartner advises labelling AI-driven experiences so people know when AI is used.

Gartner

DELOITTE / 2024 SURVEY

Seven in ten find it harder to trust

Deloitte's survey of 3,800 consumers found two-thirds worry about being fooled by AI content. Its research centre points to labelling and real-time deepfake detection as the way back.

Deloitte.

ACCENTURE / LIFE TRENDS 2025

Over half question what they see

Accenture Song found more than half of people now question the authenticity of online content, and 62% say trust matters when they choose a brand. "People are adapting their interactions to maintain control," says Nick Law.

accenture

→ STATEMENT

“Marketers should treat GenAI as a trust decision as much as a technology decision.”

Gartner®

EMILY WEISS / SENIOR PRINCIPAL ANALYST, GARTNER / MARCH 2026



PHOTO: DALI BEK / UNSPLASH

05 THE BLIND SPOT

Nobody sees the whole picture

The label is applied once, to the master file. Then the content travels through agencies, markets, retailers and platforms.

By the time it reaches a phone, the label is often gone, and no one inside the brand can tell.

0 of 8

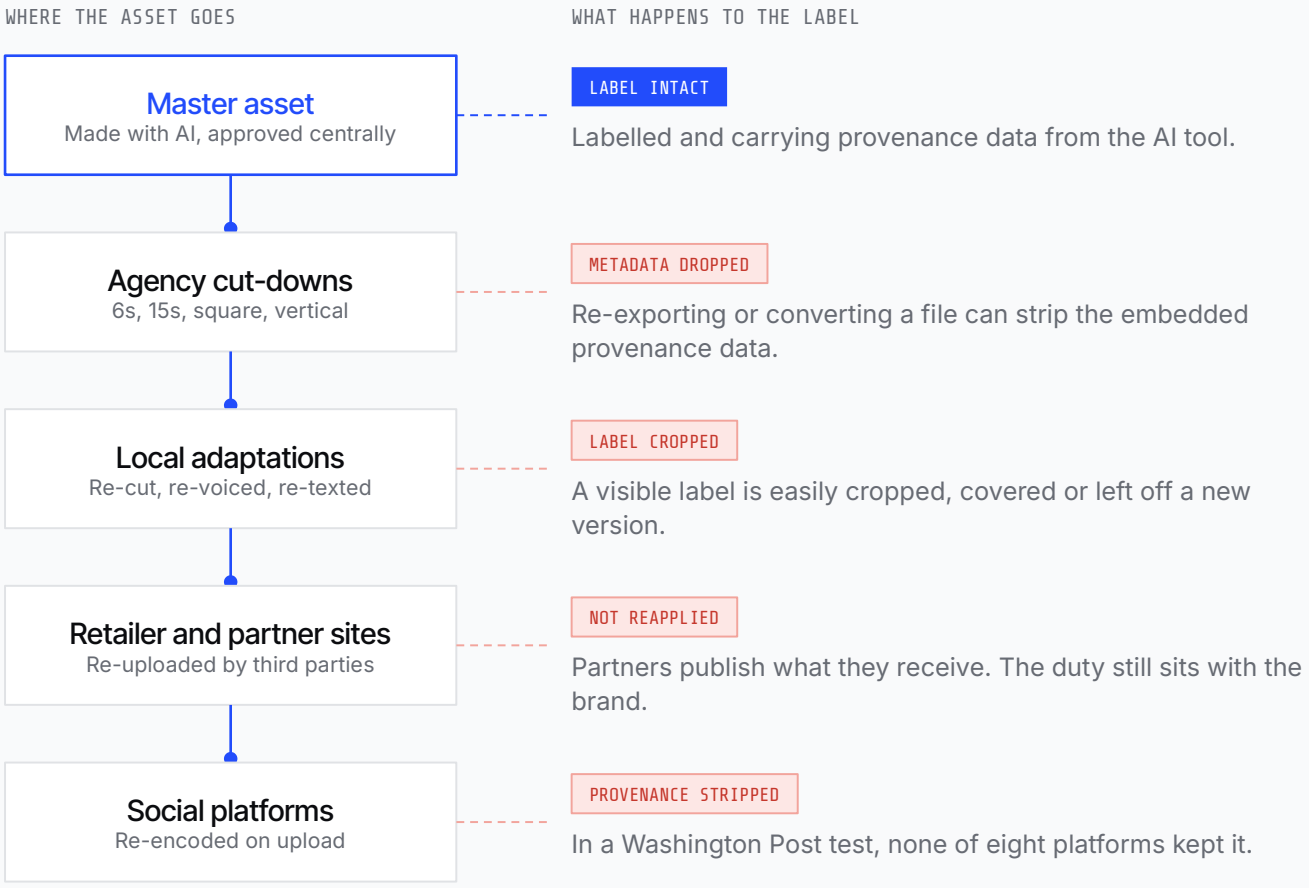
platforms kept the provenance data on an uploaded AI video

SOURCE: THE WASHINGTON POST, 2025

05 THE BLIND SPOT

How the label gets lost

The label is applied once, to the master. Then the content travels.



PLATFORMS

0 of 8

kept the provenance data on an AI video. Source: The Washington Post.

AI POSTS

1 in 3

were labelled by five platforms in a 2025 audit. Source: Indicator.

OUTSIDE THE DAM

66.9%

of live outbound content at Fortune 500 brands. Source: Medialake client data.

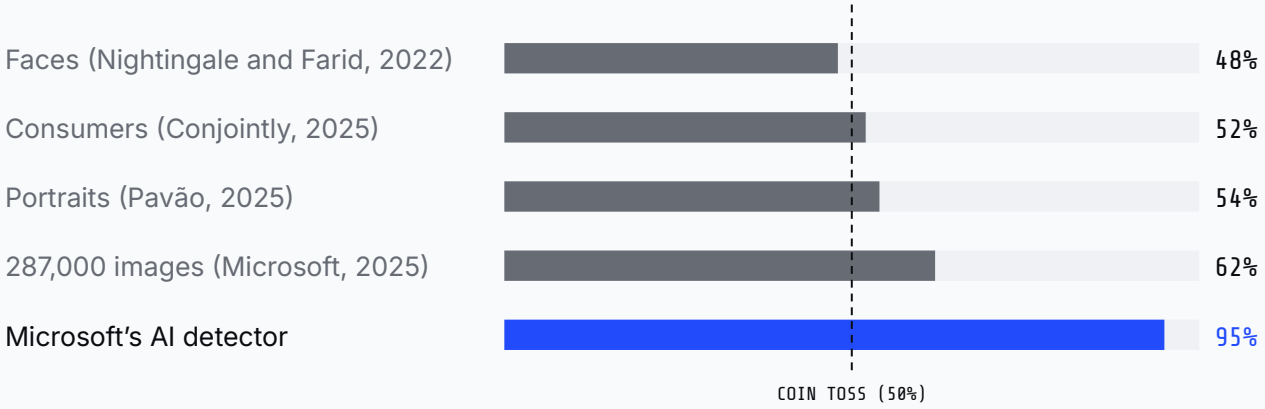
ILLUSTRATIVE JOURNEY. FIGURES FROM THE SOURCES SHOWN.

05 THE BLIND SPOT

Why nobody notices

People cannot see AI edits, partners have little reason to label, and regulators already use machines.

FIG. 04 / HOW OFTEN PEOPLE CORRECTLY SPOT AI-GENERATED IMAGES, AGAINST A MACHINE



SMALL AI EDITS TO REAL PHOTOS WERE THE HARDEST FOR PEOPLE TO SPOT (MICROSOFT AI FOR GOOD LAB, 2025)

THE INCENTIVE

-31.5%

drop in click-through when an ad is labelled as AI-made, so commercial pressure runs against the label. Source: NYU Stern and Emory.

THE REGULATOR

60M

online ads scanned with AI by the UK ASA in 2025, up from 28 million in 2024. Source: ASA.

WHAT IT MEANS FOR YOU

Your teams cannot catch AI edits by eye, your partners have little reason to label, and regulators are already looking with machines. Only machine monitoring of the live estate closes the gap.



PHOTO: CHRISTINA M, WOCINTECHCHAT / UNSPLASH

06 THE FIX

From policy to proof

Labelling is not a one-off decision. It is a question to answer for every live asset, in every market, every day.

Here is what that takes, and where Medialake fits.

66.9%

of live outbound content sits outside the DAM

SOURCE: MEDIALAKE CLIENT DATA

06 THE FIX

Three things to do now

Policy is the easy part. Proving it holds in every market is the hard part.

01

VISIBILITY

Know where your content runs

Map every place your creative is live, including retailer and partner sites, local markets and agency channels. You cannot label what you cannot see.

02

POLICY

Carry the rule down the chain

Decide what gets labelled and how, using the EU icon where it applies. Write the duty into agency, production and distribution contracts.

03

EVIDENCE

Monitor and keep the record

Check live content, not just masters, and keep a record of what was checked and done. Regulators already monitor at scale; brands need to match them.

06 THE FIX

Find it. Check it. Flag it for review.

Medialake has built workflows and models to show where AI-amended content appears online.

STEP 01

See every live asset, everywhere it runs

Medialake connects read-only to the DAM, web, social, paid media, CRM, retailer and partner sites, and recognises each asset by what it is, down to every cut-down and local variant.

STEP 02

Find AI-generated and AI-altered content

Purpose-built models flag content that appears to have been generated or altered by AI, including the small edits to real photography that people rarely spot.

STEP 03

Check the label, and that it survived

Each flagged asset is checked for a label in the right form, in each market and on each placement, not just on the master file.

STEP 04

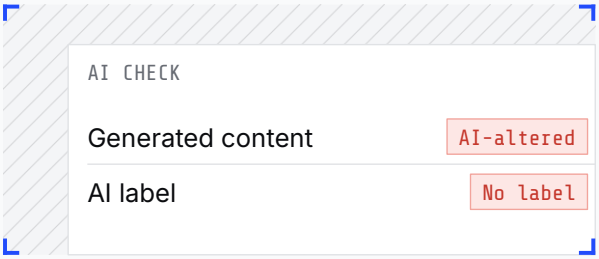
Route for review and keep the record

Flags go to the brand, legal or agency owner for review, with an audit trail of what was checked, when, and what was done.

06 THE FIX

Workflows that govern AI-amended content.

One read-only layer across the whole estate, with the checks the new rules need.

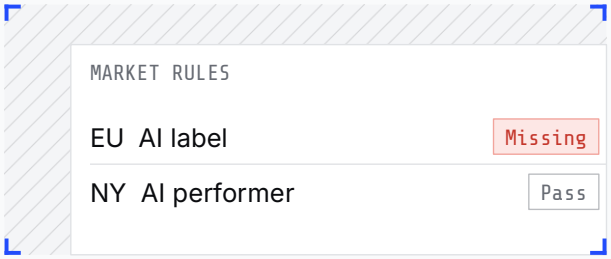


CONTROL

AI alteration audit

Finds AI-made or altered work wherever it runs, and checks its labelling.

MARKETING LEADERS +3

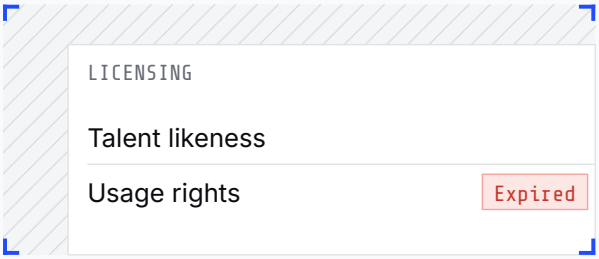


CONTROL

Market and category rules

Each market's own rules, from the EU label to New York's AI performer disclosure.

LEGAL +1

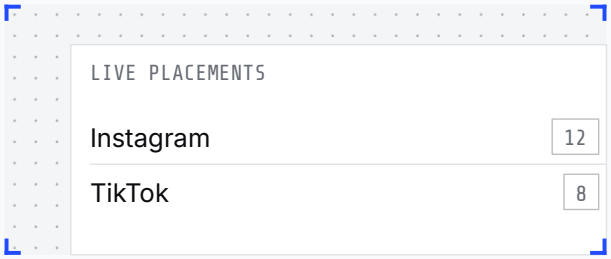


CONTROL

IP licensing

Talent, likeness, music and image rights checked against every live placement.

LEGAL +2



INTELLIGENCE

Live campaign viewer

Every placement and every variant, live, in one view.

MARKETING LEADERS +1

→ KEY MESSAGE

AI made marketing infinite. Medialake makes it governable.

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medialake.

07 SOURCES

Sources and notes

Every figure in this paper traces to one of the sources below.

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02 Reed Smith (28 July 2026); Paul, Weiss (August 2026); Cooley (3 August 2026), on the final guidelines and Code.

03 IAB, 2025 Digital Video Ad Spend and Strategy Report (July 2025). IAB and Sonata Insights, The AI Ad Gap Widens (January 2026).

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06 ASA rulings on WiggyDog (March 2026) and Henry's Boots, via Wiggin and Osborne Clarke. ASA and CAP Annual Report 2025. Lehrman and Sage v Lovo Inc, S.D.N.Y. (10 July 2025).

07 Nightingale and Farid, PNAS (2022). Conjointly (September 2025). Pavão, arXiv (December 2025). Microsoft AI for Good Lab (July 2025).

08 Indicator platform labelling audit (November 2025). The Washington Post platform test (October 2025). Lee, Todri, Adamopoulos and Ghose, NYU Stern and Emory (2025).

09 Meltwater and YouGov (April 2026). Deloitte consumer survey (2024). Gartner consumer surveys (March 2026). Accenture Life Trends 2025.

10 Medialake client data: 66.9% of live outbound content sits outside the DAM, measured across Fortune 500 clients.

This paper is for information only and is not legal advice. Rules and dates are stated as at October 2026.

→ NEXT STEP

Get ahead of the label

See where AI-amended content is running across your estate today, and what it would take to govern it.

medialake.ai

AI alteration audit

Book a briefing