Brand Creativity Under Threat: Focusing on AI-Caused Intellectual Property Conflicts

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Introduction. Artificial intelligence (AI) is increasingly integrated into brand innovation—especially in fashion, where it supports design automation, personalization, and customization (Shahzad et al., 2024). Despite its operational benefits, AI raises concerns when implicated in ethically questionable brand conduct. A key example is intellectual property (IP) infringement—the unauthorized use of a brand name, logo, or design, which can damage the original creator's reputation or mislead consumers (Peng et al., 2025). In such brand crises, consumer judgments often depend on whether the harm is attributed to technological systems or human actors (Srinivasan & Sarial-Abi, 2021). In response, perceived brand creativity—defined as how consumers assess a brand's innovation potential over time—may shift depending on how the brand is evaluated during the crisis (Shams et al., 2015). Existing studies indicate that underlying psychological discomfort—such as fears of job loss (realistic threat) and threats to human identity (symbolic threat)—can lead consumers to resist AI (Stephan et al., 2015; Yogeeswaran et al., 2016). However, little is known about how these factors influence consumers' moral responses to AI-caused incidents. Thus, this study aims to examine how realistic and symbolic threats moderate the effect of IP brand crisis source (AI vs. human) on perceived brand creativity (study 1) and whether moral responses mediate this relationship (study 2).

Literature Review. Attribution theory examines how individuals interpret the causes of events and assign responsibility (Weiner, 1985). It suggests that consumers assess causality by considering agency, intentionality, and control (Klein & Dawar, 2004). Consumers often view human designers as intentional agents in fashion, whereas AI is typically perceived as lacking emotion and accountability (Xu & Mehta, 2022). When AI causes a brand transgression—especially one that violates creativity norms, such as IP infringement—consumers may judge the brand's creativity more critically. This attribution process can be further shaped by how threatened consumers perceive AI, as explained by intergroup threat theory (ITT), which distinguishes between two types of perceived threats (Stephan et al., 2015). For instance, a realistic threat reflects material concerns such as economic displacement, while a symbolic threat reflects fear that AI undermines human uniqueness (Stephan et al., 2015). This study also relies on the appraisal tendency framework to explain how consumers form their responses (Lerner & Keltner, 2001). According to this framework, moral emotions such as anger or frustration can emerge when consumers believe the brand's actions are ethically inappropriate (Grappi et al., 2013). These emotions influence moral judgments—evaluations of whether the brand's behavior is seen as moral, harmful, or cruel

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(Johnson et al., 2018). Prior research suggests that the extent to which individuals experience moral emotions and make moral judgments may depend on their perceived level of threat (Grappi et al., 2013; Stephan et al., 2015). Consumers may be more attentive to moral violations and have stronger emotional and ethical reactions, particularly when the perceived threat is low. Therefore, we propose:

H1-H2: The effect of an AI-caused (vs. human-caused) IP brand crisis on perceived brand creativity will be stronger when consumers perceive lower threats—(H1) realistic and (H2) symbolic; under higher threats, this effect will be diminished.
H3: The effect of an AI-caused (vs. human-caused) IP brand crisis on perceived brand creativity— mediated by heightened moral emotion and moral judgment —will be stronger when consumers perceive lower realistic threats; under higher threats, this effect will be diminished.

Method. This study employed a single-factor between-subjects experimental design. Two web-based experiments were conducted using scenario-based manipulation. *Study 1* recruited 152 participants (M_{age} = 35.6 years, 76.2% male) from Amazon Mechanical Turk. Participants were randomly assigned to one of two conditions: an AI-caused or human-caused IP brand crisis. During the AI-caused crisis, a mock fashion brand used AI-driven design tools to create a product line that closely resembled a competitor's patented designs. In the human-caused condition, the brand's creative team produced a design that was similarly infringing. After reading the assigned scenario, participants completed measures assessing their perceived brand creativity, realistic and symbolic threat, a manipulation check, and demographic items (Lee & Hong, 2016; Yogeeswaran et al., 2016). In *study 2*, 136 participants (M_{age} = 33.7 years, 73% male) were randomly assigned to one of the two conditions used in study 1. Unlike Study 1, we measured their moral emotions and judgments toward the situation and added these constructs as mediators of their perception of brand creativity (Grappi et al., 2013; Johnson et al., 2018). For the analysis, the PROCESS macro in SPSS 29.0 was used in studies 1 and 2 (Models 2 and 83) (Hayes, 2018).

Results. In study 1, we found a significant moderation effect of realistic threat on the influence of an AI-caused (vs. human-caused) IP brand crisis (b = .367, 95% CI [0.034; 0.700], Figure 1) on perceived brand creativity. Specifically, we found that the effect of an AI-caused IP brand crisis was more pronounced when participants perceived a low realistic threat ($b_{\text{low realistic threat}}$ =-.431, 95% CI [-0.838; -0.023]). However, when consumers perceived a high realistic threat, this difference diminished. Thus, H1 was supported. In contrast, symbolic threats did not moderate the effect. Thus, H2 was rejected. In study 2, we found a significant interaction between IP brand crisis source and realistic threat in predicting moral emotion (b = .462, 95% CI [0.056; 0.868]; Figure 2), indicating that the effect of an AI-caused IP brand crisis on moral emotion was more salient when participants perceived low realistic threat. Notably, the moderated serial mediation was statistically significant (index = .0278, 95% CI [0.002; 0.063]), confirming that the indirect effect of IP brand crisis on brand creativity serially mediated through

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moral emotion and moral judgment, in which the negative effect was more intensified when consumers perceived low realistic threat ($b_{\text{low realistic threat}}$ = -.055, 95% CI [-0.120; -0.006]). It confirmed that the indirect effect was stronger at lower levels of realistic threat and attenuated as it increased. Thus, the results supported H3.

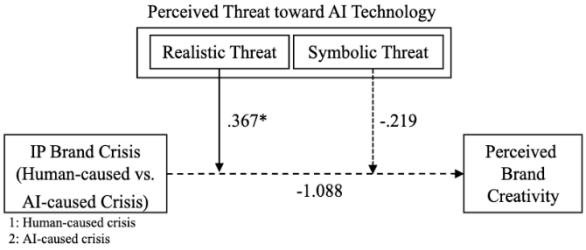

Figure 1. Moderation model in study 1 (H1-H2)

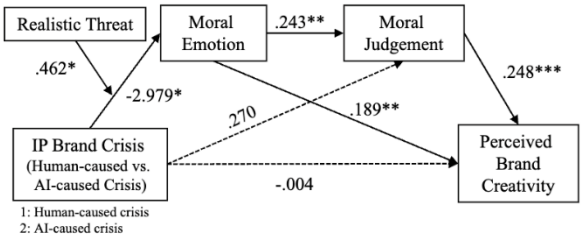

Figure 2. Moderated serial mediation model in study 2 (H3)

Conclusion. Results show that consumer evaluations of AI-caused brand crises depend on perceived realistic threats and underlying moral responses. Study 1 identified a moderating role of realistic threat on brand creativity, and study 2 confirmed a moderated serial mediation involving moral emotion and moral judgment in the relationship. It suggests that brands should consider consumers' threat perceptions and moral judgment processes when managing IP brand crises (AI vs. human-caused), especially in creativity-sensitive domains like fashion.

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