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Summary of CCIA Comments on Japan's Draft Code on Transparency of Training Data for Generative AI

In December 2025, Japan's Cabinet-level Intellectual Property Strategy Headquarters released a draft "Principle-Code for Protection of Intellectual Property and Transparency for the Appropriate Use of Generative AI."^{1,2} The Principle-Code is presented as a voluntary, soft-law implementation measure under the Act on Promotion of Research, Development and Utilization of Artificial Intelligence-Related Technologies,³ which entered into effect in November 2025.⁴ In comments submitted on the draft,⁵ the Computer & Communications Industry Association (CCIA) identified transparency regarding AI training data as a legitimate goal, particularly if based on internationally aligned,⁶ voluntary standards. At the same time, CCIA cautioned that disclosure obligations should be limited to high-level, qualitative information that is technically feasible, proportionate, and consistent with trade secret protection and due process, rather than prescriptive or dispute-triggered requirements that could create de facto mandatory effects and chill innovation. As Japan finalizes the Principle-Code, CCIA urged that the draft support broader objectives of lowering barriers to AI adoption and strengthening Japan's position as a leading environment for AI development.

Key Industry Concerns

- **Risk of De Facto Mandatory Effects Despite Voluntary Framing:** Although technically voluntary, the comply-or-explain model risks creating de facto mandatory standards. Numerous elements are framed as requirements, making it difficult for companies to deviate from the principles without facing reputational or commercial consequences.
- **Protection of Trade Secrets and Sensitive Technical Information:** The scope and granularity of proposed disclosures exceed existing transparency norms and risk conflicting with established protections for trade secrets under the Unfair Competition Prevention Act.⁷ High-level descriptions of model architecture and data sourcing may expose proprietary systems or business strategy. The draft's emphasis that trade secret concerns should not automatically justify non-disclosure heightens the risk of compelled disclosure of competitively sensitive information that often bears little relevance to the stated objective of copyright protection.
- **Operational and Legal Burdens of Dispute-Triggered Disclosures:** Proposed disclosure pathways that raise technical and due process concerns. Responding to individualized requests at scale would impose substantial burdens and does not reflect

¹ <https://public-comment.e-gov.go.jp/pcm/download?seqNo=0000305363>

² <https://public-comment.e-gov.go.jp/pcm/detail?CLASSNAME=PCMMSTDETAIL&id=095251270&Mode=0>

³ <https://laws.e-gov.go.jp/law/507AC0000000053>

⁴ https://www.gov-online.go.jp/hli/en/november_2025/november_2025-08.html

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<https://ccianet.org/wp-content/uploads/2026/01/CCIA-Comments-on-Japans-Draft-Principle-Code-on-Generative-AI-Transparency-and-Intellectual-Property.pdf>

⁶ See <https://ccianet.org/wp-content/uploads/2025/01/Principles-and-Template-Transparency-in-AI-Model-Training-Data.pdf>

⁷ <https://www.japaneselawtranslation.go.jp/en/laws/view/2803/en>

the technical realities of large-scale model training. Furthermore, requiring disclosures in response to parties merely contemplating legal action shifts preliminary assessments of claim legitimacy from courts to AI providers.

- **Chilling Effects on Lawful Data Use and Innovation:** Linking transparency obligations with requirements for monitoring IP issues risks reopening substantive copyright questions that Japan has recently addressed in an innovation-friendly manner.⁸ Japan has long provided legal certainty for machine learning through its Copyright Act, which permits the use of copyrighted works for data analysis. Reintroducing questions about training legality through soft-law mechanisms rather than legislative reform risks undermining this certainty and discouraging beneficial model development.
- **Fragmentation:** The draft applies to generative AI systems provided in Japan regardless of where the developer is located, which is inconsistent with the territorial nature of copyright law under the Berne Convention and TRIPS. For multinational companies, this extraterritorial application raises the risk of fragmented compliance obligations that may not align with other jurisdictions' more flexible, risk-based frameworks or internationally recognized models like the OECD principles.⁹
- **Extraterritoriality:** Extending obligations to all services provided in Japan, even if supplied from abroad, introduces significant compliance complexity and operational burdens for multinational companies. Without mechanisms for recognizing equivalent compliance efforts, global providers may be forced to create Japan-specific versions of general-purpose AI models, which increases the cost and time of deployment and sets a precedent for divergent national rules, ultimately undermining global interoperability.

Recommendations

- Disclosures should focus on high-level, qualitative information directly relevant to transparency and trust, explicitly excluding details that compromise trade secrets or cybersecurity.
- The Principle-Code should clarify that providers are not required to provide infeasible source-level attribution or assess the legal merits of claims. Disclosures should be limited to reasonably accessible, verifiable information.
- The framework should uphold existing copyright provisions that permit lawful machine learning and avoid re-litigating settled policy through soft-law expectations.
- Japan should avoid extraterritorial obligations and establish mechanisms to recognize disclosures made under internationally aligned frameworks to promote cross-jurisdictional interoperability.

Conclusion

CCIA supports Japan's objective of promoting trustworthy generative AI while reinforcing its position as a global leader in AI development. To support innovation and global competitiveness, the framework should be carefully calibrated to avoid unintended legal and technical consequences. Refining disclosure expectations and aligning with international frameworks would strengthen the Principle-Code and reinforce Japan's leadership in the global AI ecosystem.

⁸ https://www.nishimura.com/sites/default/files/newsletters/file/robotics_ai_230711_en.pdf

⁹ <https://www.oecd.org/en/topics/sub-issues/ai-principles.html>