

# COUNTRY COMPARATIVE GUIDES 2023

# The Legal 500 Country Comparative Guides

#### Japan

#### ARTIFICIAL INTELLIGENCE

#### Contributor

Mori Hamada & Matsumoto



Hiroyuki Tanaka (hiroyuki.tanaka@mhm-global.com)

Partner, attorney-at-law admitted in Japan and New York

Kohei Wachi (kohei.wachi@mhm-global.com)

Senior Associate, attorney-at-law admitted in Japan

Yuichi Ichikawa (yuichi.ichikawa@mhm-global.com)

Associate, attorney-at-law admitted in Japan, Ph.D. in Science

Reiya Takahashi (reiya.takahashi@mhm-global.com)

Associate, attorney-at-law admitted in Japan

This country-specific Q&A provides an overview of artificial intelligence laws and regulations applicable in Japan.

For a full list of jurisdictional Q&As visit legal500.com/guides

#### **JAPAN**

#### **ARTIFICIAL INTELLIGENCE**





#### 1. What are your countries legal definitions of "artificial intelligence"?

Japanese laws do not provide a specific and explicit definition for Al. Nevertheless, the "Al Strategy 2022", which was issued by the Cabinet Office's Integrated Innovation Strategy Promotion Council, suggests that "Al" refers to a system capable of performing functions that are deemed intelligent.

#### 2. Has your country developed a national strategy for artificial intelligence?

Yes, in April 2022, the Cabinet Office's Integrated Innovation Strategy Promotion Council published the "Al Strategy 2022," which aimed to provide further guidance on the country's AI initiatives. Following that, in April 2023, the Project Team on the Evolution and Implementation of Als of the Liberal Democratic Party of Japan's (LDP) Digital Society Promotion Headquarters released a proposal called "Al White Paper: Japan's National Strategy in the New Era of Al." This White Paper acknowledges the significant impact of large language models (LLMs), including ChatGPT, on society and emphasizes the need for a new national strategy to address this development. In addition, the Japanese government established the Al Strategic Council in May 2023 and the Al Strategic Team in April 2023, both tasked with formulating a national strategy on Al. During the G7 Hiroshima Summit, Japan hosted in May 2023, the G7 leaders discussed the use of general artificial intelligence (AI) and reached an agreement to consolidate their views on various aspects, including copyright protection and combating misinformation, by the end of the year and create international regulations.

3. Has your country implemented rules or guidelines (including voluntary standards and ethical principles) on artificial intelligence? If so, please provide a brief overview of said rules or guidelines. If no

rules on artificial intelligence are in force in your jurisdiction, please (i) provide a short overview of the existing laws that potentially could be applied to artificial intelligence and the use of artificial intelligence, (ii) briefly outline the main difficulties in interpreting such existing laws to suit the peculiarities of artificial intelligence, and (iii) summarize any draft laws, or legislative initiatives, on artificial intelligence.

The currently applicable Japanese rules and guidelines (including voluntary standards and ethical principles) on Al are listed below. The content of these ranges from a summary of issues on Al to a comprehensive investigation of various problems regarding the implementation and operation of Al. For information on Japan's international engagements regarding Al rules or guidelines, please see No.2.

- "Tentative Summary Of Al Issues" (compiled by the members of the Al Strategic Council)
- "Al Strategy 2022" (issued by the Cabinet Office's Integrated Innovation Strategy Promotion Council)
- "Al White Paper: Japan's National Strategy in the New Era of Al." (released by the Project Team on the Evolution and Implementation of Als of the Liberal Democratic Party of Japan's (LDP) Digital Society Promotion Headquarters)
- "Governance Guidelines for Implementation of AI Principles Ver. 1.1" (compiled by the Ministry of Economy, Trade and Industry)
- "Al Utilization Guidelines Practical Reference for Al Utilization" (issued by The Conference toward Al Network Society of the Ministry of Internal Affairs and Communications)
- "Social Principles of Human-Centric Al" (issued by the Cabinet Office)
- "Draft AI R&D GUIDELINES for International Discussions" (issued by The Conference toward AI Network Society of the Ministry of

Internal Affairs and Communications)

It is necessary to closely track trends in AI regulation, including the possibility of future legislation relating to AI.

# 4. Which rules apply to defective artificial intelligence systems, i.e. artificial intelligence systems that do not provide the safety that the public at large is entitled to expect?

There are currently no legislation or regulation specific to Al in Japan. Under Japanese law, the laws generally applicable to Al are the Civil Code, the Product Liability Law, and the Penal Code. Please refer to No.5.6.7 below for the details and applicable circumstances of each law.

In addition to these laws, liability for defective AI will also be governed by the provisions of any contract or agreement between the contracting parties.

## 5. Please describe any civil and criminal liability rules that may apply in case of damages caused by artificial intelligence systems.

The Civil Code, the Product Liability Law and the Companies Act are among the civil rules that may be applicable in the event of damages caused by Al systems.

Under the Civil Code of Japan, a person who has intentionally or negligently infringed the rights or legally protected interests of another person is liable to compensate for any damage resulting as a consequence (Article 709). In addition, if there is a contract or agreement between the parties, the defaulting party is liable for damages if it defaults on a contractual obligation (Article 415).

Under the Product Liability Law, if death or bodily injury to others or infringement of the property of others are caused by a defect in the delivered product, the manufacturer is liable to compensate for loss or damage (Article 3). The term "product" means movables which are manufactured or processed (Article 2.1), but Al software itself is not a "product" as it is an inanimate object. However, if the Al software is incorporated into and integrated with a tangible object, that tangible object constitutes a "product". In contrast to the EU Proposal for an Artificial Intelligence Liability Directive and Product Liability Directive, there is no presumption of causation or defect in either of the above laws.

Moreover, the Companies Act has a provision regarding liability for damages of officers to third parties. If officers of a company have acted with bad faith or gross negligence in performing their duties related to an Al product, they are liable for damages to third parties caused by such actions.

On the other hand, the rules applicable to criminal liability are the Penal Code, related special laws and the Copyright Act. A person who develops or uses Al may be criminally liable as a negligent offender ("kashitsuhan"). For example, if an autonomous vehicle equipped with Al causes a traffic accident, the driver may be liable under the Act on Punishment of Acts Inflicting Death or Injury on Others by Driving a Motor Vehicle, etc. (Article 5), provided that the accident was caused by the negligence of the driver. However, in some cases, the automobile manufacturer may be held criminally liable.

If the automobile manufacturer, based on traffic accident information, ascertained that an autonomous driving system caused a traffic accident and, as a result of an internal review, identified a defect in the autonomous driving system, but did not recall the vehicle and ignored the defect, they could be liable for subsequent traffic accidents caused by the autonomous driving system that result in death or injury to a person under the Penal Code (Article 211). In addition, the Copyright Act also has a provision regarding criminal liability (Article 119.1), and if a company continues to sell Al products notwithstanding that it is aware that the Al products infringe copyright, the directors of the company and the company may be criminally liable.

#### 6. Who is responsible for any harm caused by an AI system? And how is the liability allocated between the developer, the user and the victim?

As noted above, under the Civil Code of Japan, a person who has intentionally or negligently infringed the rights or legally protected interests of another person is liable to compensate for damage resulting as a consequence (Article 709). In this context, the term "negligence" refers to the failure to take the necessary measures to avoid the occurrence of a specific result, notwithstanding that the occurrence of such a result was foreseeable. For example, if the inappropriate use of Al by the user causes harm to a third party, the Al user may be held liable in tort for their "negligence".

Liability based on the Product Liability Law is primarily a matter between the AI developer and the victim and is recognized when the manufacturer of a "defective product" that "infringes the life, body, or property of another" (Article 3), as described above. The term "defect" under the Act refers to a lack of safety that the product normally provides. The existence of a "defect" is determined comprehensively, in various considerations of factors, such as the characteristics of the product and the normally expected use of the product.

If an accident is caused by AI in a contractual relationship between the AI developer and the purchaser, the AI developer may be liable under the relevant contract. To be specific, it may constitute a default of the contractual obligation under the contract if the AI does not meet the standards for performance required for the task intended by the parties or operates in an unexpected way.

### 7. What burden of proof will have to be satisfied for the victim of the damage to obtain compensation?

The term "negligence" in tort refers to the failure to take the necessary measures to avoid the occurrence of a specific result as noted above. In the case of pursuing liability in tort, the victim bears the burden of proof that the other party was negligent. For the victim to prove that there was negligence on the part of Al users or Al developers is likely to be an extremely onerous burden of proof in light of the fact that the development process and decision-making process of Al cannot be easily elucidated.

Additionally, if the victim is to pursue liability based on the Product Liability Law, they need to allege and prove that there was a "defect" in the Al product. In this respect, the decision-making process of Al is highly complicated, and it is likely to be difficult for them to allege and prove the cause of the accident, such as how and why the accident happened. However, a number of court judgements in Japan have alleviated the victim's burden of proof in certain cases, such as when they have difficulty in gaining sufficient knowledge and information regarding the product, and this may be helpful when considering the burden of proof in the product liability for Al.

### 8. Is the use of artificial intelligence insured and/or insurable in your jurisdiction?

Currently, insurance products specifically designed for the installation or operation of AI are not prevalent. Insurance products for corporate customers cover product liability and other risks arising from defective AI products. However, it is expected that insurance products related to AI will be actively developed in the future as a way to distribute risks for AI developers, AI users and the victim.

### 9. Can artificial intelligence be named an inventor in a patent application filed in your jurisdiction?

No. An inventor is assumed to be a natural person under the current Japanese Patent Act. Artificial intelligence cannot be named an inventor in a patent application.

The "Intellectual Property Rights Strategic Headquarters of the Prime Minister's Office: Intellectual Property Rights Promotion Plan 2023 – Toward a society in which diverse players maximize the value of intellectual property in the world," released on June 9, 2023, indicating that the process of invention creation consists of three stages: (1) problem formulation, (2) selection of candidate means of solution, and (3) evaluation of the effectiveness of the invention, and it has been conventionally considered that, if a human being is involved (creatively) in any of the three stages, the invention can be evaluated as having been created by that human being, states that the evaluation of an invention in which artificial intelligence is involved in any part of these stages can be an issue.

# 10. Do images generated by and/or with artificial intelligence benefit from copyright protection in your jurisdiction? If so, who is the authorship attributed to?

If images are generated by artificial intelligence, they are not protected under the Japanese Copyright Act. On the other hand, if images are generated by a person using (i.e. with) artificial intelligence as a tool, they are protected under the Copyright Act. In this case, the authorship is attributed to the person.

Currently, a creatively produced expression of thoughts or sentiments of a human being is protected under the Copyright Act. Artificial intelligence itself cannot be an author. Thus, images generated using artificial intelligence should be considered to be a creatively produced expression of a human being to be protected under the Copyright Act.

Images may not be a creatively produced expression where a person merely prompts artificial intelligence. An element of creativity such as multiple consideration and modification of products generated by artificial intelligence is required to be copyrighted material. Only a range of work including creative contributions can be

subject to copyright.

The Intellectual Property Strategy Headquarters has discussed the copyrightability of images generated by and/or with artificial intelligence in the "Intellectual Property Strategic Program 2023". They have stated that the creative contribution for images generated by and/or with artificial intelligence in order to be copyrighted materials needs to be considered based on specific cases.

There is a problem of a person pretending to be an author as well as an inventor. There is no provision for punishment of any such person for images generated by artificial intelligence under the Copyright Act, although they may be subject to claims of fraud under the Criminal Law or tort under the Civil Law. There is a possibility that such a provision may be implemented in future.

### 11. What are the main issues to consider when using artificial intelligence systems in the workplace?

The main issues in the workplace are the problems of privacy, personal data protection, and labor laws. The situations involving issues relating to the use of artificial intelligence systems are recruitment and personnel affairs such as evaluation and transfer.

A specific recent case is that of Rikunabi (a job hunting website), which allowed companies to forecast information relating to declines of a promising post using technologies such as cookies without the valid consent of the data subject. This case violated the Act on the Protection of Personal Information ("APPI") and the Employment Security Act. As an issue about personnel affairs, the labor union of IBM Japan lodged an application for relief to the Tokyo Metropolitan Labor Relations Commission for transparency of decisions of salary using artificial intelligence named "Watson" in personnel evaluations made by IBM Japan.

The collection and utilization of personal data of employees should comply with the APPI. Furthermore, differential treatment with respect to working conditions based on nationality, creed, or social status, and differential treatment with respect to wages based on gender are prohibited under the Labor Standards Act. These issues should be considered where artificial intelligence systems are used in personnel affairs.

In addition, an employer cannot fire a employee immediately even if his/her work can be replaced by artificial intelligence systems under Japanese labor laws.

#### 12. What privacy issues arise from the use of artificial intelligence?

The privacy issues that arise in Japan are the profiling of purchase information and behavior, and facial recognition from cameras using artificial intelligence.

There are several specific cases about privacy issues in Japan other than those mentioned in Q11. The thirdparty transfer of big data collected through the usage histories of prepaid e-money transportation cards issued by a major railway company from the railway company to a major electrical manufacturer, and the profiling of the credit scores of users of a major portal website were criticized and the transfer and profiling services were forced to cease. Face recognition using cameras in a railway station for the purpose of analysis of people flow and crime-prevention was also criticized from the perspective of the infringement of privacy. Those services were not unlawful in their processing of personal data, however they could not win the understanding of citizens. In addition, a taxi company displayed advertisements on tablets for users in taxies based on their gender determined using face recognition by cameras installed on the tablets. In this case, the Personal Information Protection Commission (PPC, the Japanese authority) issued guidance to the taxi company as the company did not sufficiently notify users of the use of cameras in this way.

Furthermore, generative AI also has possibilities to cause privacy issues if its output includes personal information. The PPC recently issued warnings relating to OpenAI. The PPC expressed concerns about the collection of sensitive information and notice of purposes of use. The PPC prohibited OpenAI from obtaining sensitive information from users of ChatGPT and required them to notify data subjects of the purposes of use in Japanese.

Based on the above examples in Japan, it is recommended to consider reputation risk and provide thorough explanations about the purposes and range of use of information to users when artificial intelligence is used in services even if the processing is lawful.

### 13. What are the rules applicable to the use of personal data to train artificial intelligence systems?

The APPI applies to the use of personal data to train artificial intelligence systems. Under the APPI, a lawful basis, such as legitimate interests or necessity for the performance of the contract, for the general processing of personal information is not required. However, an entity needs to notify to the data subject or publish

purposes of use when the entity collects personal data. If personal data are sensitive data, an entity should as a general rule obtain the consent of the data subject.

When the entity enters prompts including personal information into generative Al services, the processing should not exceed the scope necessary for achieving the specified purpose of use. If the data input constitutes third-party transfer and the data include "personal data", meaning personal information composing a personal information database under the APPI, then the entity should as a general rule obtain the consent of the data subject. However, according to warnings related to the use of generative Al services issued by the PPC (see Q14 for details), data input does not fall to be considered as a transfer unless the service provider of generative Al uses the personal data other than for the output of responses in response to prompts such as in the context of machine learning.

Under the APPI, the provision of personal data for the purpose of outsourcing is not categorized as third-party transfer. If the data input falls to be considered as outsourcing, the entity does not need to obtain the consent of the data subject to the transfer of personal data for the purpose of input. Although the PPC has announced that an outsourcee can use personal data to improve its analysis technology as necessary for achieving the purpose of use as an outsourcee, there is a possibility that use of personal data for machine learning may not be allowed under an outsourcing scheme. In addition, if the AI service provider is established in a foreign country, the global data transfer regulation under the APPI shall also be applicable to the transfer to the service provider.

From the perspective of a service provider of generative AI, if output includes personal data, the third-party transfer restrictions mentioned above will apply to such output to users. But, generally speaking, generative AI outputs words selected on the basis of probability and does not output personal information composing a personal information database. In this case, the output by the generative AI is not regulated under the APPI.

That being said, inaccurate output by generative AI may lead to defamation such as a fake criminal record. Even if the generative AI outputs true information, it may cause a privacy issue as mentioned in Q12. The victims may have rights to injunction based on moral rights or to claim damages under the Japanese Civil Law in such cases.

The question of who is responsible for the problems is also an issue for generative AI. If the defamation or the infringement of privacy is induced by the generative AI without a person's intention, there is a possibility that nobody will be held responsible. However, if a person spreads information generated by artificial intelligence, such person may become liable.

### 14. Have the privacy authorities of your jurisdiction issued guidelines on artificial intelligence?

The PPC has not issued any guidelines directly related to artificial intelligence except for generative Al. However, the PPC has announced guidelines on profiling and camera systems with face recognition in their FAQ. For profiling, the PPC announced that an entity needs to specify the purposes of use including analysis processing of behavior and interests of the data subject.

In addition, the PPC has issued guidelines on the use of a camera system with face recognition function for crime prevention and ensuring safety. According to the FAQ and the guidelines, an entity should specify the purposes of use for which the face recognition function is used, and notify the data subjects or publish the purposes of use. The PPC recommends that a URL or QR code is displayed near a camera or at the entrance of a facility which includes details of the entity, the purposes of use and contact information.

The PPC has issued warnings regarding the use of generative AI services mentioned in Q13. The warnings include notices for entities, administrative agencies and users.

The PPC warnings require the entities and administrative agencies to (i) when they input prompts including personal information into generative AI services, confirm sufficiently that the input falls within the scope which is necessary for achieving the specified purpose of use of the personal information; and (ii) when they input prompts including personal data into generative AI services without the prior consent of the data subject, to confirm sufficiently that the service provider does not use the personal data for machine learning because they will violate the APPI if the personal data are processed for purposes other than the output of responses against the prompts.

The PPC warnings also require the users to (i) when they input personal information to generative AI, consider the risk that the generative AI may use input personal information for machine learning and may output accurate or inaccurate contents statistically linked with other information; (ii) when they process personal information using generative AI, consider the risk that the generative AI may output inaccurate personal information because of its output process of generation

based on probabilistic correlations; and (iii) confirm sufficiently the terms of use and the privacy policy of the provider of the generative AI services, and make appropriate decisions on the use of generative AI services.

The PPC frequently updates its FAQs on guidelines about the APPI. Further guidance about artificial intelligence may be issued hereafter.

### 15. Have the privacy authorities of your jurisdiction discussed cases involving artificial intelligence?

In addition, the PPC has published administrative guidance to a taxi company about face recognition as mentioned in Q12. The PPC required the company to notify users of the fact that the company was using cameras on tablets to take facial photos for advertisements. The PPC stated that the PPC considered the rights and interests of the users in issuing the quidance.

### 16. Have your national courts already managed cases involving artificial intelligence?

In one case tangentially related to AI, a lawsuit was filed by a restaurant claiming compensations against the company that operates "Tabe Log" restaurant review and booking website, alleging that its sales decreased due to unfairly lowered assessment scores on the site. In that case, the court concluded that the change in the algorithm that determines the rating points constitued an abuse of a superior bargaining position and acknowledged liability for damages.

In addition, although it is not a case concerning Al, there is an informative case based on the Product Liability Law in which a defect in a product caused a fire and death of a person. In this case, the court stated that if the party claiming that the "product" is defective has limitations in identifying and proving in detail the specific site of the defect and the cause of the accident, it is sufficient to prove that the plaintiff used the product in accordance with its normal usage and that the accident occurred despite such usage. This court case is helpful by analogy to judgments in future Al disputes.

It is necessary to keep a close watch on the approach Japanese courts will take in the future in deciding the burden of proof in case of claims for damages based on tort or product liability.

# 17. Does your country have a regulator or authority responsible for supervising the use and development of artificial intelligence?

There is currently no dedicated regulator or authority solely responsible for supervising the use and implementation of Al in Japan. However, various government bodies are involved in overseeing different aspects of Al usage.

The Personal Information Protection Commission plays a crucial role in addressing privacy and data protection concerns related to Al applications. They ensure that personal information is handled appropriately and protected in accordance with relevant regulations.

When it comes to AI implementation in vehicles, the Ministry of Land, Infrastructure, Transport and Tourism takes on the responsibility. They oversee the usage of AI and other technologies in the transportation sector, ensuring safety and compliance with regulations.

Additionally, the Japanese government has established the AI Strategic Council and the AI Strategic Team to consider the national strategy on AI. These bodies include representatives from the Digital Agency, the Ministry of Economy, Trade and Industry, and the Cabinet Office. Together, they work to develop policies and guidelines for the effective and ethical use of AI in various sectors of the economy.

### 18. How would you define the use of artificial intelligence by businesses in your jurisdiction? Is it widespread or limited?

Especially after ChatGPT grew in popularity quickly in the Japanese market, Japan has been rapidly adopting Al technologies to enhance productivity, improve efficiency, and drive innovation across various sectors. Businesses in Japan are generally positive about implementing and using generative Al.

According to a survey conducted by Adobe, 73% of Japanese consumers found generative Al useful, as compared to 43% of consumers in the United States8. This indicates a higher acceptance and appreciation for generative Al in Japan.

To further encourage the use of generative AI in the private sector, the Japan Deep Learning Association published the Guidelines on the Use of Generative AI in May 2023. These guidelines aim to promote responsible and effective utilization of generative AI technology. In addition, Panasonic Holdings Corp. launched a

generative Al-based support system in April, which is designed to assist their approximately 90,000 workers in Japan. This demonstrates a practical application of generative Al in a large-scale organizational setting.

### 19. Is artificial intelligence being used in the legal sector, by lawyers and/or inhouse counsels? If so, how?

Yes, AI is indeed being utilized by lawyers and in-house counsel for various legal tasks, such as contract review and analysis, due diligence, and document automation. An example of this is Bengo4.com, Inc, an online legal advice service provider, which introduced an AI legal advice chat service using generative AI in May 2023.

It is important to recognize that AI tools, including chatbots or document review systems, may offer legal information or assistance to individuals. However, it is crucial to ensure that these AI tools do not provide legal advice without proper authorization. Unauthorized provision of legal advice could potentially violate regulations that restrict the unauthorized practice of law, as outlined in Article 72 of the Attorneys Act.

## 20. What are the 5 key challenges and the 5 key opportunities raised by artificial intelligence for lawyers in your jurisdiction?

The following points highlights the challenges and opportunities that we believe will arise from the use of AI in the legal profession.

#### Challenges:

- Regulatory Uncertainty: The utilization of Al may introduce legal issues of unprecedented complexity, for which current laws may not provide clear guidelines. This presents a challenge for lawyers in advising clients within a regulatory landscape that lacks specific regulations addressing these novel concerns. As Al technologies evolve, legal professionals must navigate the ambiguity and advocate for the development of appropriate regulations and guidelines.
- Attorney Regulations: The use of Al raises ethical concerns and challenges for lawyers. They must navigate potential violations of attorney ethics when employing Al tools, ensuring that they uphold their professional responsibilities while leveraging technology. For example, lawyers should be cautious not

- to include Al-generated fake cases or evidence, as it would contravene legal ethics.
- 3. Impact on Less Complex Matters: The advancement of AI has the potential to automate simpler legal tasks, impacting entry-level positions and raising concerns about training opportunities for lawyers. Differentiating lawyers from other potential competitors, particularly in less complex matters, may become challenging as AI takes on routine legal tasks.
- 4. Understanding of AI: Lawyers will need to stay updated with the latest developments in the AI market to provide efficient guidance to clients and leverage AI technologies effectively. As AI tools become more prevalent, expectations for lawyers to incorporate AI into their services will increase, potentially influencing the standard of care owed to clients.
- 5. Security and Data Protection: The use and development of Al tools involve handling larger volumes of data, which increases the risk of data breaches and security incidents. It is essential for lawyers to consider additional measures to mitigate these risks and ensure the protection of sensitive client information.

#### **Opportunities:**

- 1. Expansion of Practice Areas/Services: The emergence of legal issues related to Al creates opportunities for lawyers to explore new areas of practice. There will be a growing demand for legal services that address Alrelated concerns, such as intellectual property violations, data protection, and privacy issues.
- 2. **Work Streamlining**: Al has the potential to enhance efficiency in legal practice by automating simpler tasks, allowing lawyers to focus on more complex and strategic matters. This streamlining of work processes can lead to increased productivity and improved client service.
- 3. Improved Accuracy and Reduced Errors:
  By employing Al for legal research and document drafting, lawyers can minimize human errors and enhance the overall quality and accuracy of their legal advice. Al tools can help lawyers access vast amounts of legal information quickly and efficiently, enabling them to provide more accurate and comprehensive guidance to clients.
- 4. **Enhanced Access to Justice**: Al can help overcome barriers of time and cost, thereby improving access to legal services and the

- justice system. Al-powered legal tools and platforms can provide affordable and easily accessible legal assistance to individuals and businesses, ensuring a more inclusive and equitable legal landscape.
- 5. **New Career Possibilities**: The integration of Al in the legal profession opens up new career paths for lawyers. They can explore opportunities in technology-related fields that involve leveraging their knowledge of Al technology within legal contexts. For example, lawyers can pursue roles in legal tech startups, Al ethics consulting, or legal advisory positions in Al development companies, combining their legal expertise with their understanding of Al systems.

21. Where do you see the most significant legal developments in artificial intelligence

#### in your jurisdiction in the next 12 months?

The implementation of generative AI is gaining traction in both the public and private sectors, and it is expected that the legal industry will also adopt Al-based services, such as providing Al-powered legal advice. Overall, the government has demonstrated a supportive stance towards AI adoption. An example of this is the establishment of a government AI Strategy Team specifically focusing on AI in May 2023. This team comprises members from the Digital Agency, the Ministry of Economy, Trade, and Industry, and the Cabinet Offices. Additionally, the government is actively discussing plans to integrate AI into its operations. In the next 12 months, it is expected that various regulatory authorities will issue guidelines to encourage greater utilization of AI in business rather than imposing a complete ban. Therefore, it is crucial to closely monitor policy developments concerning AI regulations.

#### **Contributors**

Hiroyuki Tanaka (hiroyuki.tanaka@mhm-global.com)

Partner, attorney-at-law admitted in Japan and New York

Kohei Wachi (kohei.wachi@mhm-global.com)

Senior Associate, attorney-at-law admitted in Japan

Yuichi Ichikawa (yuichi.ichikawa@mhm-global.com)

Associate, attorney-at-law admitted in Japan, Ph.D. in Science

Reiya Takahashi (reiya.takahashi@mhm-global.com)

Associate, attorney-at-law admitted in Japan







