

Case Study of Studio Ghibli VS Open AI for the Proposed Revision of Indonesia Law Number 28 of 2014 Concerning Copyright

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Abstract

The rise of generative artificial intelligence (AI) tools that transform photos into illustrations inspired by Japan's *Studio Ghibli* style has ignited debates about the protection of art styles under copyright law. This situation has prompted concerns over whether *Studio Ghibli* could take legal action against OpenAI for issues like false advertising, trademark infringement, or unfair competition, particularly regarding the use of *Ghibli*'s copyrighted works in training AI models. While the *Ghibli* case does not directly apply to Indonesia, it raises questions about how Indonesian law could protect local artists in similar circumstances. This research aims to analyze comparative strategies for drafting government regulations in response to the challenges posed by AI, focusing on Indonesian copyright law. A normative legal approach is used, relying on library research to examine relevant legal sources and regulations. The study identifies potential gaps in current Indonesian copyright protections for digital creations influenced by AI. In conclusion, it offers recommendations for adapting Indonesian law to safeguard the rights of artists in the age of AI, drawing lessons from international cases like *Studio Ghibli* vs. Open AI.

Keywords: Artificial Intelligence, Copyright, Indonesian Copyright Law

INTRODUCTION

The animation industry has historically been characterized by profound dedication, necessitating meticulous attention to detail, intricate hand-drawn illustrations, and a protracted, year-long production process (Masagala et al., 2021). *Studio Ghibli*, an animation studio originally from Japan, is acclaimed for its exquisite, hand-drawn films that have captivated audiences globally. The studio's steadfast adherence to traditional animation techniques has culminated in the creation of some of the most iconic and cherished films, including "Spirited Away," "My Neighbor Totoro," and "Princess Mononoke." However, with the advent of OpenAI's advanced AI image generator, the creation of *Ghibli*-style images has become instantaneous and automated. This technological innovation has reverberated throughout the creative industry, with numerous artists and enthusiasts expressing astonishment at the capability to transform ordinary photographs into stunning, hand-painted masterpieces (George, 2025). The AI image generator employs a sophisticated algorithm to analyze the uploaded image and produce a *Ghibli*-style equivalent, replete with intricate details and textures. These outcomes have prompted many users to share their creations on social media, thereby showcasing the technology's capabilities (George, 2025).

Studio Ghibli, which was founded in 1985 by Hayao Miyazaki together with Isao Takahata, also with producer Toshio Suzuki, is now the world's most influential animation studio. *Ghibli* is particularly noteworthy for scholars because of its extensive global influence, cinematic prowess, and diverse themes (Lioi, 2015). Outside Hollywood, *Studio Ghibli* ranks as the most lucrative animation company in the world. In Japan, these films consistently dominate box office charts and enjoy extended runs in theaters. Internationally, they are held

in high esteem and have received numerous prestigious accolades, including the Academy Award for “Spirited Away” at the 75th Academy Awards, marking it as the only film with a language other than English to win in this category. Their artistic achievements have inspired filmmakers worldwide. Although their films are primarily made for the Japanese market, they are among the most critically lauded studios globally (Odell & Le Blanc, 2024).

OpenAI, as a non-profit organization, is dedicated to developing and advancing artificial intelligence (AI) for the benefit of humanity as a whole. Established in 2015 by notable figures in the technology sector, including Elon Musk and Sam Altman, OpenAI adopts a collaborative approach by partnering with industry leaders to safely and ethically develop AI (openai.com). The organization is committed to ensuring that AI technology is developed responsibly and ethically, which includes implementing safety mechanisms to prevent AI systems from causing harm and ensuring that AI is designed to benefit society broadly, rather than a select few individuals (James, 2023). The ChatGPT model, developed by OpenAI, is trained on extensive text data so it can capture the patterns and complexities of human language (Alessio, H.M., et al., 2018). The training corpus comprises various sources, for example: reviews, articles, online conversations, books, and human-generated data, allowing the model to engage in meaningful dialogues and provide accurate information on diverse topics (Alessio, H.M., et al., 2018).

The introduction of an advanced AI image generator by OpenAI represents a significant development in AI technology and its applications in creative industries. The ability to generate *Ghibli*-style images instantaneously and automatically has the potential to revolutionize our approach to animation and art, opening new pathways for creative expression and innovation. As this technology progresses, it is imperative to consider associated risks and implications. This journal specifically examines one such risk: copyright issues. The analysis focuses on comparing the review with the Law of the Republic of Indonesia Number 28 of 2014 on Copyrights, in conjunction with benchmarking against international copyright regulations. The conclusions and recommendations are intended to guide the government in making necessary amendments to the Law of the Republic of Indonesia Number 28 of 2014 on Copyrights, ensuring its alignment with contemporary technological advancements.

Two previous studies have contributed to the discourse surrounding AI and copyright law. George (2025) focuses on the technological innovation of AI in generating artistic works, specifically in the realm of *Ghibli*-style images, and discusses its potential to disrupt the creative industries. The study raises concerns regarding the challenges of intellectual property protection, as AI-generated works may inadvertently infringe upon existing copyrighted material. However, George’s research falls short of offering a legal framework or policy recommendation to address these challenges.

Lioi (2015) examines *Studio Ghibli*’s artistic legacy, including the cultural significance of their hand-drawn animation and the studio’s global influence. While the study sheds light on the uniqueness of *Ghibli*’s films and their role in shaping global animation, it does not discuss how emerging AI technologies challenge the traditional notion of copyright protection for creative works like those produced by *Studio Ghibli*.

This research bridges the gap by providing a comprehensive legal analysis of AI-generated works, specifically *Ghibli*-style images, and comparing Indonesian copyright law (Law No. 28/2014) to international frameworks such as the EU’s General Data Protection

Regulation (GDPR) and intellectual property laws. By offering recommendations for amending Indonesia's copyright laws to address these emerging issues, this study seeks to ensure that the legal system keeps pace with technological advancements, thereby safeguarding the rights of creators and adapting to the digital age.

This study aims to explore the challenges AI poses to copyright law, specifically in the context of AI-generated *Ghibli*-style images. The goal is to analyze the gaps in Indonesia's existing copyright law and provide recommendations to align it with global best practices. This research is significant in ensuring that copyright protection evolves alongside technological advancements, offering clearer legal standards for protecting creators' rights in an increasingly AI-driven creative industry.

METHOD

This journal employed a normative methodology that used laws and legitimate legal foundations as references. The data for this article were collected through documents or library research, which involved the examination and analysis of library resources and relevant regulations pertinent to the research issues. However, the most prominent variation that was often used by researchers (Stake, 2000). This study aimed to present the characteristics of a particular entity that mainly had its own specifics, especially focusing on one unit, an in-depth description of an event based in real-life scenarios, and thus used various data collection methods. For this study, the qualitative research case study method was used. For researching with normative legal, also referred to as researching with library-based or document analysis, it was synonymous with doctrinal legal research (Muhaimin 2020).

RESULT AND DISCUSSION

Law of The Republic of Indonesia Number 28 of 2014 On Copyrights

Law of The Republic of Indonesia Number 28 of 2014 On Copyrights replaces Law Number 19 of 2002 on Copyright. There are 19 chapters with 126 articles that discuss a number of copyright provisions, but the discussion of the chapter will be limited to this journal, only those related to case studies will be used as discussion tools :

Chapter I: General Provisions

The first chapter discusses general provisions regarding copyright. In this chapter, a number of definitions related to copyright are explained, some of which are as follows.

Initially, Article 1, paragraph (1) describes copyright as privilege of the creator that has special, which emerges automatically following the declarative principle once a creation is expressed in physical form, without diminishing any limitations as per legal provisions (The copyright law,2014). Next, Article 1, paragraph (2) clarifies that a creator refers to one or more individuals who, either alone or collectively, produce a creation that is distinct and personal (The copyright law,2014). Then, Article 1, paragraph (3) characterizes a creation as any outcome of creative effort in the realms of science, art, and literature, generated through inspiration, capability, thought, imagination, dexterity, skill, or expertise, and expressed in a tangible form (The copyright law,2014). Additionally, Article 2 outlines that the legal foundation for copyright encompasses: all creations and related rights products of Indonesian citizens, residents, and legal entities; all creations and related rights products of non-Indonesian citizens, non-Indonesian residents, and non-Indonesian legal entities that are first announced

in Indonesia; and all creations and/or related rights products and users of creations and/or related rights products of non-Indonesian citizens, non-Indonesian residents, and non-Indonesian legal entities, provided that: their country has a bilateral agreement with Indonesia concerning the protection of copyright and related rights; or their country and the Republic of Indonesia are participants in the same multilateral agreement regarding the protection of copyright and related rights (the copyright law,2014).

Pursuant to Law Number 28 of 2014 on copyright, commonly referred to as the Copyright Law, artificial intelligence (AI) is not eligible to be recognized as a creator or copyright holder. This is clearly articulated in Article 1, number 2 of the Copyright Law, which defines a creator as "a person" or "someone" who produces a work that is both personal and distinctive, either individually or collaboratively. The terms "individual" or "person" as used in Article 1, Number 27 of the Copyright Law are explicitly defined to mean a human being or a legal entity. As a result, the designation of Creator and/or Copyright Holder is inherently confined to human beings, thereby excluding non-human entities, such as AI. (Akbar, I. P; Sarifudin, A, 2024).

Article 1, Number 3 of the Copyright Law stipulates that creations within the realms of science, art, and literature are recognized as copyrighted works. Article 40, Paragraph (1) of the same legislation enumerates examples of such works, including cinematographic pieces, fine art, and books, provided they pertain to specific domains. In the context of artificial intelligence creations, such as the painting "The Next Rembrandt" or the film "Sunspring", these works align with the categories delineated by Copyright Law. Nevertheless, Article 41 of the Copyright Law delineates exceptions for works that are not eligible for copyright protection, such as those that are not concretely realized, ideas or concepts, procedures, methods, principles, tools, objects, or products designed solely to address technical or functional issues. Consequently, these exceptions do not inherently preclude AI-generated work from copyright protection. Therefore, from the standpoint of the definition of Creation, AI-generated works should qualify for copyright protection (Fauzi, R. Ramli, et al, 2022).

When conducting a review, it is essential to adopt a holistic approach by considering various legal aspects. Upon examination, the implicit exception concerning the outcomes of artificial intelligence is elucidated in the same article, specifically Article 1, Number 3 of the Copyright Law. This article stipulates that creative work must originate from "inspiration, ability, thought, imagination, dexterity, skill, or expertise expressed," thereby underscoring the intimate connection between the creator and their work. This connection is rooted in intellectual effort, rather than being an instantaneous product of a particular intermediary devoid of human intervention (Fauzi, R. Ramli, et al., 2022).

Article 1, Number 3 of the Copyright Law emphasizes the significance of intellectual engagement and personal expression contributed by individuals to creative work. In alignment with George Wilhelm Friedrich Hegel's philosophy of rights, it is posited that the protection of intellectual property is predicated on the presence of personal or private expressions inherent in an object. Hegel asserts that achievements, knowledge, and talents are products of an individual's internal thoughts, rather than external factors. Similarly, Kant justifies intellectual property must be protected based on the creator's personality (Tanya Frances Aplin & Davis, 2017).

Hegel's assertion offers a justification for an individual's ability to claim ownership of an item as part of their personal assets. John Locke posited that ownership rights originate from the labor invested in an object (Tanya Frances Aplin & Davis, 2017).

In the context of artificial intelligence outputs, these creations are produced autonomously, devoid of human involvement in their production. Consequently, the authenticity of AI-generated works is questioned, as they may lack human thought or personal touch, which enhances their originality. AI outputs also pose a risk to the fundamental principles of copyright protection, which emphasizes the romanticism of personal involvement and the essence of hard work in the creative process. Indeed, Article 1 Number 2 of the Copyright Law explicitly defines creators as individuals or groups who produce works with distinct and personal attributes. The term "unique and personal" in Creator's definition highlights the connection between a Creator and its creative output. Therefore, human involvement from the conception of an idea to its execution must be predominant to secure copyright protection, provided that it aligns with legal provisions (Fauzi, R. Ramli, et al, 2022).

Comparison with other international laws regarding copyright with AI based technology

The European Union's Artificial Intelligence Act (EU AI Act), formally known as EU Regulation No. 2024/1689, was ratified by members of the European Parliament on June 13, 2024, and is set to be enacted on August 1, 2024. This legislation represents the first comprehensive and binding regulatory framework for artificial intelligence globally, establishing guidelines for the deployment and management of AI systems within the EU. The Act aims to regulate and promote the safe utilization of AI technologies in the European market, while upholding human rights and safeguarding health, safety, and the environment. Additionally, the Act delineates the conditions under which AI can be marketed, utilized, and monitored within the European Union, prohibits certain AI practices, and fosters innovation. Specifically, the EU AI Act addresses several regulatory dimensions, including Definitions/Terminology, which mandates that providers and users of AI systems ensure an adequate level of AI literacy encompassing all parties impacted by their implementation. The risk Categories of AI Systems are also defined, comprising Unacceptable Risk, High Risk, Limited Risk, and Low Risk, with Generative AI classified under the limited risk category (EU AI ACT, 2024).

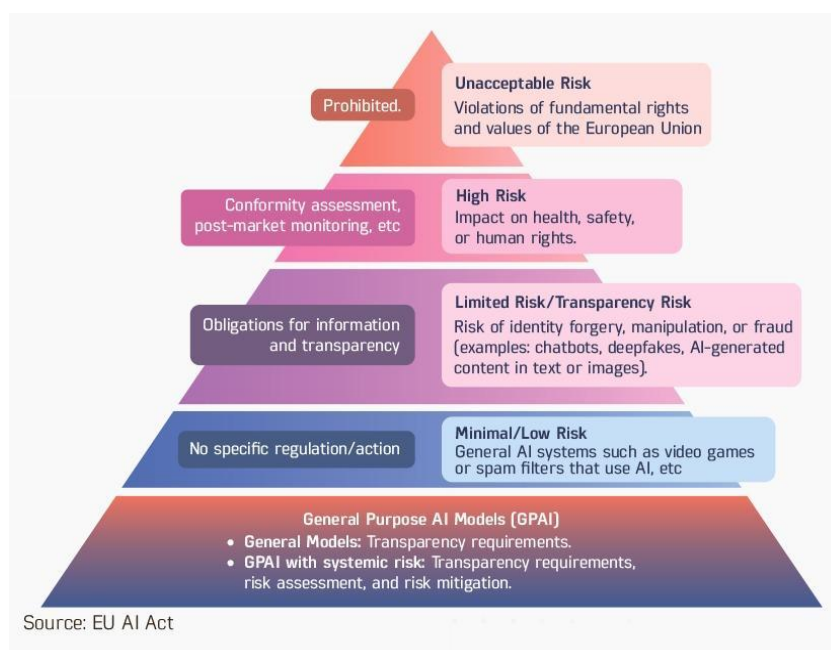


Figure 1. Classification of AI System Risk Levels (OJK,2025)

Transparency is an important requirement in some AI Systems, particularly in cases where there is a risk that the system can or may be used to deceive or manipulate people without their knowledge or consent (EU AI ACT, 2024). These AI systems can be categorized as having or grouped as limited risk or as a group with specific transparency risks, and must comply with transparency obligations, although this does not rule out the possibility of high-risk impacts; thus, the requirements for high-risk AI systems still apply. Generative AI systems in the limited risk group focus on AI systems that generate audio, images, videos, or text synthetically, including AI systems that can manipulate contents that exist, which can be classified as deep fakes (OJK, 2025). All Generative AI providers must make sure that the AI system in the generative AI system has output with signed in a machine-readable format and can be detected as the result of manipulation of artificial creation, can be using watermarking as an example, unless the content has been reviewed by a party that has editorial responsibility for the content (OJK, 2025).

In China, developers for advancing generative AI models must be aware of regulations that are designed for the purpose of safeguarding personal data and intellectual property rights. Personal data protection is governed by the Personal Information Protection Law of 2021, a comprehensive data privacy framework to GDPR of the EU's General Data Protection Regulation (China Briefing Team, 2021) . This law aims to regulate sensitive datas like the personal data of Chinese citizens to control sharing of information and include processing and accessing it. Concerning copyright issues related to AI-generated works and the potential infringement of existing copyrighted material, numerous legal cases and in recent years, some lawsuits have been increasing and targeting copyright law for applications developed by developers of generative AI (China Briefing Team, 2021).

In various jurisdictions, the utilization of copyrighted materials for research or technological development may be classified as "fair use" applied in the United States, or "fair dealing" applied in countries such as Canada and the UK. Nevertheless, the interpretation and

application of fair use differ across nations, leading to scenarios in which the use of an AI dataset might be deemed lawful in one country while constituting copyright infringement in another. Several factors influence whether a use is considered "fair use," including a. The purpose and nature of the use (e.g., commercial versus non-commercial, transformation of the original work); b. Type of work utilized (e.g., fiction versus non-fiction, published versus unpublished); c. Extent of work used, and d. Effect of the original work on the market (Fibrianti, 2025)

Combination of the ITE Law and Copyright Law for more comprehensive copyright protection for Indonesia

The advent of Industrial Revolution 5.0 has precipitated significant and rapid technological transformations, characterized by the integration of human empowerment, technology, and data, which collectively alter societal needs. In response to these changes, one of the legal measures implemented in Indonesia to address technology-related crimes is Electronic Information and Transactions Law (UU ITE). This legislation governs to protect personal data and individual privacy rights, and then establishes legal frameworks pertinent to technology and information. (Martinelli, I., et al, 2023). The combination of the Copyright The integration of the Copyright Law and the Information and Electronic Transactions (ITE) Law offers a more comprehensive framework for safeguarding copyright in the digital age. The following are ways in which these two legal instruments can enhance copyright protection:

1. **Digital Copyright Protection:** The ITE Law can safeguard digital copyright by regulating the use of digital technology and the internet in the creation, distribution, and utilization of copyrighted works.
2. **Prevention of Piracy:** The Copyright Law and the ITE Law can collaboratively deter copyright piracy in the digital era by delineating the responsibilities of Internet service providers and digital platforms.
3. **Online Copyright Regulation:** The ITE Law can oversee online copyright, including the use of copyrighted works on digital platforms and the obligations of Internet service providers in upholding copyright.
4. **Sanctions for Violators:** These two laws can impose sanctions on copyright violators, encompassing both criminal and civil penalties.
5. **Development of a Protection System:** The synergy of these two laws can facilitate the establishment of a more effective and efficient copyright protection system. Consequently, the amalgamation of the Copyright Law and the ITE Law can furnish more comprehensive protection for copyright in the digital era, thereby fostering a fairer and more balanced environment for creators and users of copyrighted works.

The urgency of revision Indonesian Copyright Law to be more global

The case of Ghibli exemplifies the impact of advancements in Generative AI technology, and it is anticipated that similar instances will proliferate in the future. The creative industry faces a critical choice: it must adapt to technological advancements and risk obsolescence.

From a technological perspective, certain search engines, such as Google, offer the capability to filter search results by usage rights, enabling users to limit searches based on specific Creative Commons (CC) licenses. For instance, if one seeks a photo for adaptation,

the search can be filtered to include only photos with a CC license permitting adaptation. Additionally, CC Search provides a user-friendly platform for locating content providers that support searches based on usage rights (Alifia 2011). However, the ease of use associated with Generative AI applications often leads users to overlook the importance of verifying the licensing and copyright status of digital works.

Indonesia's distinction as the first ASEAN nation to complete a UNESCO AI Readiness Assessment is noteworthy, positioning the country as a potential leader in developing AI governance approaches that respect and protect cultural heritage. Nonetheless, significant gaps exist in Indonesia's current legal framework concerning autonomous intelligent systems in copyright law, particularly as traditional knowledge and cultural expressions frequently fall outside conventional intellectual property frameworks (Hayashikawa & Hammam Riza, 2025).

The potential for international collaboration in developing the legal framework is evident, with the European serving as the creator of the EU AI Act and as a potential partner. Collaborative international dialogue is imperative, as AI-generated content transcends borders, necessitating global cooperation to establish consistent ethical and legal standards that safeguard cultural identity, artistic labor, and creative diversity in the digital era. A critical area for enhancement is the harmonization of standards for copyright law updates; Indonesia could collaborate with the European Union to draft AI standards that align with national interests and international regulations, particularly those concerning copyright law.

CONCLUSION

The discussion highlights a recent case where OpenAI's ChatGPT rapidly generated images in the distinctive style of *Studio Ghibli*, attracting a million users in just one hour and raising significant ethical and intellectual property concerns about AI's ability to imitate artistic styles without proper credit or permission. This incident underscores the urgent need to revise Indonesia's Copyright Law No. 28 of 2014 to address the challenges posed by AI, including modernizing legal frameworks to recognize both human and AI contributions, establishing fair compensation guidelines, clarifying copyright eligibility for AI-generated works, promoting transparency in AI training data, and introducing licenses and royalties for the use of specific art styles. For future research, it is suggested to explore the practical implementation and enforcement of these proposed legal reforms, as well as to examine their impact on both local and international creative industries.

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