

Generative AI, Stylized Artistic Expression, and Intellectual Property Governance: Copyright, Trademark, and Dataset Liability in AI-Driven Visual Art

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Generative artificial intelligence has altered the legal understanding of creativity by shifting artistic production from direct human execution to prompt-based, data-dependent image generation.¹ The controversy surrounding “Ghibli-style” AI visuals reflects a broader intellectual property problem: modern AI systems do not merely create outputs; they learn from vast collections of protected works, cultural expressions, and recognizable artistic identities.² This article examines whether AI-generated visual works inspired by a distinctive animation style can attract copyright, infringe protected expression, dilute trademarks, or create liability for users and platforms.³ It further argues that legal analysis should not remain limited to the final image produced by an AI system, but must also extend to the training data, prompting practices, and commercial circulation of such outputs.⁴

Adopting a doctrinal and comparative method, the article evaluates Indian copyright and trademark law alongside developments in the United States, Japan, the European Union, and China.⁵ It highlights the distinction between unprotected artistic style and protected expression, the continued relevance of human authorship, the uncertainty surrounding text-and-data mining, and the risks of using brand-specific prompts in commercial contexts. The article also considers cultural misappropriation, platform accountability, digital watermarking, licensing models, and dataset transparency as emerging governance tools. It concludes that India requires a balanced AI-IP framework that protects creators and cultural identity without obstructing legitimate technological innovation.

Keywords: Generative AI, Copyright Law, Trademark Dilution, Studio Ghibli, AI Training Data, Text and Data Mining, Platform Liability, Artistic Style, Intellectual Property, AI Governance

Generative AI, Stylized Artistic Expression & IP Governance

Artificial intelligence has transformed creative production from a traditionally human-centered activity into a technologically mediated process driven by algorithms, datasets, and computational prediction. Contemporary generative AI systems are capable of producing paintings, illustrations, literary works, music, animation, and cinematic visuals through text-based prompts with minimal human intervention.⁶ The rapid accessibility of such systems has enabled millions of users to generate visually sophisticated outputs that imitate or resemble identifiable artistic traditions, commercial aesthetics, and culturally embedded styles.

Among the most debated examples is the growing circulation of “Ghibli-style” AI-generated art across platforms such as Midjourney, Stable Diffusion, and DALL·E. These systems can produce animated landscapes, character designs, and fantasy

environments strongly associated with the visual identity of Studio Ghibli, despite the absence of direct authorization from the studio itself.⁷ While some users characterize these creations as transformative homage or artistic inspiration, others view them as a technologically facilitated form of stylistic appropriation that undermines artistic labor, cultural originality, and intellectual property protection.

The legal uncertainty surrounding AI-generated artistic expression extends beyond traditional copyright infringement analysis. Existing intellectual property frameworks were developed primarily for identifiable human authorship and direct reproduction, not for machine-learning systems trained upon massive collections of digital works scraped from online environments.⁸ Consequently, contemporary disputes increasingly concern not only the final AI-generated output, but also the legality of training datasets, algorithmic learning processes, prompt engineering practices, and the commercial exploitation of recognizable artistic identities.

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This issue becomes particularly significant in the context of artistic styles that possess strong commercial and cultural associations. Although copyright law traditionally protects expression rather than abstract style or aesthetic influence, the large-scale replication of a recognizable visual identity through generative systems raises difficult questions regarding substantial similarity, trademark dilution, moral rights, and consumer confusion.⁹ The use of prompts referencing famous studios, characters, or artistic brands further complicates intermediary liability and platform accountability, particularly where AI-generated outputs are monetized through NFTs, merchandise, advertising, or online marketplaces.

At the international level, jurisdictions have adopted divergent approaches toward AI governance and intellectual property regulation. The United States continues to rely heavily upon transformative fair use doctrines, while the European Union increasingly emphasizes transparency obligations, dataset accountability, and creator-centric safeguards under the EU AI Act. Japan has adopted comparatively liberal text-and-data mining provisions, whereas China treats data governance and algorithmic systems as strategic regulatory concerns.¹⁰ India, however, remains at an early regulatory stage, with existing copyright and trademark frameworks offering limited clarity regarding AI-assisted creativity and training-data governance.

This article undertakes a doctrinal and comparative examination of the intellectual property implications arising from AI-generated artistic replication, with particular focus on Ghibli-inspired visual outputs. It argues that future AI governance must move beyond conventional output-based copyright analysis and incorporate broader regulatory mechanisms addressing training-data accountability, cultural appropriation, attribution systems, platform liability, and ethical AI deployment. The article ultimately proposes a balanced legal framework capable of protecting creators and cultural identity while simultaneously encouraging responsible technological innovation in the generative AI ecosystem.

The study adopts a qualitative doctrinal methodology supported by comparative and analytical approaches to examine the evolving relationship between generative artificial intelligence and intellectual property governance. The research primarily evaluates the legal implications arising from AI-generated artistic outputs that imitate recognizable

visual identities, with particular emphasis upon copyright protection, trademark dilution, training-data governance, and intermediary liability within contemporary digital ecosystems.¹¹

The doctrinal component of the study relies upon the interpretation of statutory provisions, judicial precedents, policy papers, and international regulatory instruments relating to copyright law, trademark protection, AI governance, and digital intermediary responsibility. Particular reliance has been placed upon the Indian Copyright Act, 1957, the Trade Marks Act, 1999, the Information Technology Act, 2000, the U.S. Copyright Act, the Lanham Act, the Japanese Copyright Act, and the European Union's emerging AI regulatory framework.¹²

A comparative analytical framework has additionally been employed to examine the differing regulatory philosophies adopted by India, the United States, Japan, the European Union, and China in addressing AI-assisted creativity and dataset governance. While the United States largely approaches AI innovation through expansive fair use doctrines, the European Union increasingly emphasizes accountability, transparency obligations, and creator-centric safeguards. Japan adopts comparatively liberal text-and-data mining provisions, whereas China treats algorithmic governance and dataset regulation as strategic state concerns.¹³ The comparative analysis therefore assists in identifying both regulatory gaps and adaptable policy models relevant to the Indian legal framework.

The study further incorporates a legal-ethical approach in order to assess broader concerns relating to artistic attribution, cultural appropriation, algorithmic exploitation, and commercial misuse of recognizable artistic identities through generative AI systems. The ethical dimension becomes particularly significant where AI-generated outputs imitate culturally embedded artistic traditions or commercially valuable visual aesthetics without authorization, attribution, or compensatory mechanisms.¹⁴

The research is primarily based upon secondary sources, including statutes, case law, scholarly articles, WIPO reports, governmental publications, regulatory guidelines, journal articles, and comparative academic commentary. In addition, publicly accessible discussions surrounding generative AI practices, digital art marketplaces, and AI-generated visual replication have been examined

to understand emerging practical and commercial implications associated with stylized AI-generated content.¹⁵

This methodology enables the study to evaluate not merely the legality of AI-generated outputs, but also the broader structural challenges posed by training-data extraction, prompt-based artistic replication, and platform-enabled commercialization within the rapidly evolving generative AI ecosystem.

Contemporary scholarship on generative artificial intelligence and intellectual property law increasingly reflects concern regarding the inability of traditional legal frameworks to adequately regulate machine-assisted creativity, automated learning systems, and large-scale data extraction practices. Early academic discourse primarily focused upon the copyrightability of AI-generated outputs and the requirement of human authorship, while more recent scholarship has shifted toward the governance of training datasets, algorithmic accountability, and platform-enabled commercialization of AI-generated content.¹⁶

Mark Lemley and Bryan Casey argue that machine learning systems rely fundamentally upon exposure to pre-existing copyrighted material and therefore challenge conventional assumptions regarding reproduction and infringement under copyright law.¹⁷ According to their analysis, algorithmic “learning” may, in certain circumstances, constitute transformative use rather than direct substitution of protected expression. However, the authors also acknowledge that unrestricted reliance upon copyrighted datasets may generate economic and ethical concerns for creators whose works contribute to commercial AI systems without authorization or compensation.

Pamela Samuelson similarly emphasizes that existing copyright regimes were developed for identifiable human reproduction rather than automated computational analysis performed at massive scale.¹⁸ She argues that the emergence of text-and-data mining technologies requires a reconsideration of conventional copyright limitations, particularly where AI systems extract informational and stylistic patterns from copyrighted artistic repositories. These concerns become more complex where AI-generated outputs imitate recognizable artistic aesthetics associated with commercially valuable studios, brands, or cultural identities.

Scholarly discussion concerning artistic style and trademark protection has also expanded significantly in recent years. Lisa Ramsey observes that while

artistic style itself may not receive direct copyright protection, repeated commercial association between a visual aesthetic and a recognizable brand may nevertheless generate trademark-related concerns involving consumer confusion, false endorsement, or dilution of commercial identity.¹⁹ This issue becomes particularly relevant in the context of AI-generated “Ghibli-style” visuals circulated across digital marketplaces and social media platforms.

Recent international policy discourse has increasingly focused upon governance of AI training datasets rather than merely regulating AI-generated outputs. WIPO discussions on artificial intelligence and intellectual property have highlighted concerns relating to attribution, dataset transparency, licensing systems, intermediary accountability, and ethical deployment of generative AI technologies.²⁰ The European Union has similarly adopted a more accountability-oriented approach through transparency obligations and disclosure mechanisms under the EU AI Act, while Japan has embraced comparatively liberal text-and-data mining provisions intended to facilitate technological innovation.²¹

Indian scholarship remains comparatively limited in addressing style-based AI-generated artistic replication and training-data governance. Existing Indian copyright jurisprudence continues to rely heavily upon principles of originality, substantial similarity, and human authorship developed within conventional creative contexts. Consequently, there remains substantial uncertainty regarding the legality of automated dataset scraping, prompt-based artistic imitation, and commercial exploitation of AI-generated visuals inspired by identifiable artistic traditions.²²

The existing literature therefore demonstrates a growing international consensus that AI governance cannot remain confined solely to questions of authorship or output ownership. Instead, contemporary scholarship increasingly supports broader regulatory frameworks incorporating dataset accountability, creator protection, platform responsibility, attribution mechanisms, and ethical governance principles capable of addressing the structural realities of generative artificial intelligence systems.

Copyright Protection, Artistic Style, and AI-Generated Visual Replication

The emergence of generative artificial intelligence has complicated the traditional distinction between

protected artistic expression and unprotected conceptual inspiration. Copyright law historically protects the expression of ideas rather than the underlying artistic style, method, or aesthetic philosophy associated with a creator.²³ However, contemporary AI systems challenge this distinction because they are capable of generating highly similar visual outputs by computationally learning patterns, textures, color arrangements, and compositional structures derived from extensive training datasets containing copyrighted artistic works.

Under Indian copyright law, protection extends to original literary, dramatic, musical, and artistic works that demonstrate sufficient creativity and originality.²⁴ The Indian Supreme Court in *Eastern Book Company v D.B. Modak* rejected the traditional “sweat of the brow” doctrine and clarified that originality requires a minimum degree of creativity rather than mere labor or investment.²⁵ Similarly, in *R.G. Anand v Deluxe Films*, the Court emphasized that copyright infringement arises not from similarity of ideas but from substantial copying of protected expression.²⁶ These principles remain central to evaluating AI-generated visual replication.

The difficulty in the context of generative AI lies in determining whether stylistically similar outputs merely reproduce a generalized artistic influence or whether they substantially imitate protectable expressive elements associated with a recognizable artistic identity. Studio Ghibli’s visual language, for instance, is commonly associated with distinctive environmental aesthetics, emotional storytelling patterns, hand-painted textures, fantasy imagery, and character-centered visual composition. While no single artistic element may independently attract copyright protection, the cumulative arrangement of these expressive features may acquire legal significance where AI-generated outputs become substantially similar to existing copyrighted works.²⁷

United States copyright jurisprudence similarly distinguishes between protected expression and abstract artistic concepts. Section 102(b) of the U.S. Copyright Act expressly excludes ideas, systems, methods, and conceptual processes from copyright protection.²⁸ In *Feist Publications v Rural Telephone Service Co.*, the U.S. Supreme Court reiterated that originality requires at least a minimal degree of creative expression.²⁹ More recently, courts and regulatory authorities have emphasized that copyright protection remains dependent upon human authorship.

In *Thaler v Perlmutter*, the court refused copyright recognition for a work generated autonomously by artificial intelligence without meaningful human creative contribution.³⁰

Nevertheless, the absence of copyright protection for purely AI-generated outputs does not eliminate the possibility of infringement where training processes or generated results substantially reproduce protected material. Machine-learning systems do not create artistic outputs in isolation; rather, they rely upon exposure to vast repositories of copyrighted works capable of influencing the structure and appearance of generated content.³¹ Consequently, the legal inquiry increasingly extends beyond the final AI-generated image and toward the broader processes of dataset compilation, algorithmic learning, and prompt-based artistic replication.

An additional complexity arises from the distinction between inspiration and automated imitation. Human artists frequently develop creative styles influenced by prior artistic traditions without violating copyright law. Generative AI systems, however, operate through computational analysis of large-scale datasets capable of replicating stylistic characteristics at industrial scale and unprecedented speed.³² This creates concerns not merely regarding artistic similarity, but also regarding economic substitution, dilution of artistic identity, and mass commercialization of recognizable aesthetics without authorization.

Internationally, regulatory approaches remain inconsistent. The European Union increasingly favors transparency obligations and accountability measures concerning AI-generated content and dataset governance, while Japan continues to permit comparatively broad text-and-data mining activities in support of technological innovation.³³ India presently lacks specific statutory guidance addressing AI-assisted artistic replication, leaving courts dependent upon conventional doctrines of originality, substantial similarity, and fair dealing developed prior to the emergence of generative AI technologies.

Accordingly, existing copyright frameworks appear insufficient to address the structural realities of machine-assisted artistic generation. The legal challenge is no longer confined to direct copying of completed works, but increasingly concerns the algorithmic reproduction of artistic identity through data-driven computational systems capable of replicating visual aesthetics at global scale.

AI Training Data, Dataset Scraping, and Copyright Governance

Contemporary generative artificial intelligence systems derive their operational capability from extensive training datasets composed of text, images, illustrations, audiovisual content, and other forms of human-created expression collected from digital environments. Unlike conventional artistic production, generative AI systems do not independently “imagine” creative outputs; rather, they statistically analyze existing material in order to identify patterns, relationships, stylistic structures, and expressive arrangements capable of generating new content through predictive computation.³⁴ Consequently, the legality of generative AI cannot be examined solely through the lens of final outputs, because the underlying process of dataset acquisition itself raises substantial copyright and governance concerns.

Most large-scale AI systems are trained upon datasets compiled through automated scraping of publicly accessible internet content, including copyrighted artworks, illustrations, animation frames, literary material, and digital portfolios uploaded by artists without explicit consent.³⁵ This practice has generated increasing controversy regarding whether machine-learning processes constitute permissible technological analysis or unauthorized reproduction of protected expression. The issue becomes particularly significant where AI-generated outputs imitate distinctive artistic identities associated with commercially valuable studios, creators, or cultural traditions.

Indian copyright law presently offers limited clarity regarding automated dataset extraction and machine-learning activities. Section 52 of the Copyright Act recognizes certain fair dealing exceptions for private use, research, criticism, and reporting purposes; however, the statute was developed prior to the emergence of generative AI technologies and does not expressly regulate large-scale computational learning processes.³⁶ Consequently, uncertainty persists regarding whether commercial AI training upon copyrighted artistic repositories may legitimately fall within existing fair dealing protections.

The United States has adopted a comparatively broader approach through transformative fair use doctrines. In *Authors Guild v Google Inc.*, the court held that large-scale digitization of copyrighted books for searchable indexing constituted transformative use

because the technological process served a new informational function distinct from the original expressive purpose.³⁷ AI developers frequently rely upon similar reasoning to justify machine-learning processes. However, recent litigation involving AI companies increasingly questions whether commercial generative systems trained upon copyrighted material continue to qualify as sufficiently transformative, particularly where generated outputs compete economically with original creators.³⁸

The European Union adopts a more creator-centric approach toward text-and-data mining and dataset governance. Under the Digital Single Market framework and the EU AI Act, rights-holders are increasingly provided mechanisms to restrict unauthorized data mining, while AI developers may be subject to transparency obligations concerning dataset sources and training practices.³⁹ Japan, by contrast, has implemented comparatively liberal text-and-data mining exceptions intended to facilitate technological innovation, provided that exploitation does not unreasonably prejudice rights-holders.⁴⁰ China similarly treats large-scale data governance as a strategic regulatory concern involving national technological infrastructure and algorithmic accountability.⁴¹

Beyond conventional copyright concerns, dataset governance also raises ethical and cultural questions. AI systems frequently learn from culturally embedded artistic traditions, indigenous imagery, folklore-inspired visual aesthetics, and historically significant artistic identities without attribution, licensing, or consent mechanisms. The replication of distinctive artistic styles through machine-learning systems therefore risks reducing culturally meaningful artistic expression into commercially exploitable algorithmic outputs.⁴² This concern becomes especially significant where globally recognizable visual identities such as Studio Ghibli’s animation style are repeatedly reproduced through automated systems lacking any direct relationship with the original creators.

The absence of effective dataset governance mechanisms further complicates attribution and accountability. Artists whose works contribute to AI training repositories often remain unaware that their creations have been incorporated into commercial generative systems. Existing intellectual property regimes provide limited practical remedies because proving direct copying within opaque machine-learning architectures remains technically difficult.⁴³

Consequently, legal scholars increasingly advocate for transparency obligations, licensing frameworks, digital provenance systems, and dataset disclosure mechanisms capable of balancing technological innovation with creator protection.

Accordingly, future AI governance frameworks must move beyond traditional output-based infringement analysis and incorporate broader regulation of training-data acquisition, algorithmic accountability, dataset transparency, and ethical licensing systems. Without such reforms, existing copyright regimes may prove structurally incapable of addressing the realities of large-scale computational creativity in the generative AI ecosystem.

Trademark Dilution, Brand Association, and Platform Liability in AI-Generated Artistic Content

While copyright law primarily protects original expression, trademark law protects commercial identity, source association, and consumer trust within the marketplace. The increasing use of brand-specific prompts in generative AI systems therefore raises legal concerns distinct from traditional copyright infringement analysis. In the context of AI-generated “Ghibli-style” visuals, the legal issue extends beyond artistic similarity and enters the domain of trademark dilution, false endorsement, unfair association, and commercial misrepresentation.⁴⁴

Studio Ghibli functions not merely as an animation studio but also as a globally recognizable commercial identity associated with a distinctive visual reputation, storytelling tradition, and cultural aesthetic. The use of prompts such as “Studio Ghibli style,” “Totoro-inspired poster,” or “Ghibli AI wallpaper” within commercial digital environments may create an implied association between AI-generated outputs and the original studio itself.⁴⁵ Such usage becomes increasingly problematic where AI-generated works are monetized through NFTs, merchandise platforms, advertising campaigns, social media branding, or commercial licensing activities.

Under the Indian Trade Marks Act, 1999, unauthorized commercial use of a registered trademark that creates confusion, deception, or unfair association may constitute infringement or passing off.⁴⁶ Section 29 of the Act additionally recognizes dilution-related protection for well-known marks where unauthorized use exploits commercial reputation without legitimate authorization. Similar protections exist under the Lanham Act within the

United States, particularly in cases involving false endorsement, dilution by blurring, and unfair commercial association.⁴⁷

Unlike conventional trademark disputes involving counterfeit goods or direct brand imitation, generative AI complicates the legal inquiry because the trademark itself often appears within prompts rather than the final visual output. AI systems may therefore indirectly exploit the commercial value of recognizable artistic brands during content generation processes without explicitly reproducing protected logos or registered marks within the completed image. This creates a regulatory gap between traditional trademark doctrine and emerging computational creativity systems.

Courts increasingly recognize that trademark law extends beyond literal reproduction and may encompass broader forms of commercial association capable of misleading consumers. In *Toyota Jidosha Kabushiki Kaisha v Prius Auto Industries Ltd.*, the Indian Supreme Court acknowledged the commercial significance of transborder reputation and global brand identity.⁴⁸ Similarly, U.S. jurisprudence recognizes dilution where famous marks lose distinctiveness through unauthorized associative use even in the absence of direct competition.⁴⁹ Consequently, repeated commercial exploitation of prompts invoking famous artistic brands may arguably weaken the distinctiveness and reputational exclusivity associated with those identities.

Platform accountability further complicates the legal landscape. AI providers such as Midjourney, Stability AI, and OpenAI frequently position themselves as neutral intermediaries offering technological infrastructure rather than directly producing infringing content. These platforms may therefore seek protection under intermediary liability frameworks such as Section 79 of the Information Technology Act, 2000, or the safe harbor provisions contained within the Digital Millennium Copyright Act in the United States.⁵⁰

However, intermediary protection traditionally depends upon passive facilitation rather than active encouragement or commercial exploitation of infringing conduct. Where platforms knowingly permit, curate, recommend, or commercially benefit from prompts referencing protected brands, artistic identities, or copyrighted characters, the distinction between neutral facilitation and contributory participation becomes increasingly blurred.⁵¹ Several AI platforms have already begun restricting prompts

associated with globally protected commercial properties such as Disney, Marvel, or Pokémon, thereby implicitly acknowledging the legal risks associated with unregulated brand invocation in generative systems.

An additional concern arises from algorithmic amplification and commercial scalability. Unlike individual artistic imitation performed manually by human creators, generative AI enables mass production of branded stylistic outputs within seconds and at minimal cost. This industrial scalability significantly increases the possibility of market substitution, reputational dilution, and consumer confusion, particularly where AI-generated outputs circulate without attribution or disclosure mechanisms.⁵²

The present legal framework therefore appears insufficient to address the intersection of trademark law and generative AI. Future regulatory approaches may require platform-level safeguards, prompt moderation systems, transparency obligations, attribution mechanisms, and clearer standards concerning the commercial invocation of recognizable artistic identities within AI-generated environments.

Cultural Appropriation, Ethical AI Governance, and Artistic Identity

The debate surrounding generative artificial intelligence extends beyond conventional legal questions of ownership and infringement into broader concerns relating to ethics, cultural preservation, artistic dignity, and algorithmic exploitation. While copyright and trademark frameworks focus primarily upon proprietary interests, generative AI systems increasingly interact with artistic traditions, cultural identities, and collective creative heritage in ways that existing intellectual property regimes are structurally ill-equipped to regulate.⁵³

Studio Ghibli's artistic identity represents more than a commercially successful animation style; it embodies a distinctive cultural and aesthetic tradition rooted in Japanese storytelling, environmental philosophy, emotional realism, and handcrafted visual expression. The replication of such artistic identities through machine-learning systems therefore raises concerns extending beyond technical copyright analysis. Where AI systems reproduce culturally recognizable aesthetics at industrial scale without attribution, consent, or creative participation from original artists, questions of ethical legitimacy inevitably arise.⁵⁴

Unlike human artistic inspiration, generative AI systems are capable of extracting stylistic patterns

from thousands of artworks simultaneously and reproducing similar outputs through automated computational processes. This distinction is significant because human artists traditionally reinterpret influences through individual creativity and lived experience, whereas algorithmic systems replicate aesthetic characteristics through statistical prediction and dataset optimization.⁵⁵ Consequently, critics argue that generative AI risks reducing artistic identity into commercially exploitable computational patterns detached from the cultural and emotional contexts that originally produced them.

The ethical concerns become more severe where culturally embedded artistic traditions or indigenous expressions are incorporated into AI training datasets without meaningful safeguards. Several scholars have warned that generative systems may facilitate a new form of digital cultural appropriation in which historically and culturally significant artistic expressions are absorbed into commercial AI infrastructures controlled primarily by large technology companies.⁵⁶ This concern is especially relevant for countries such as India and Japan, where artistic traditions frequently carry social, historical, and community-based significance extending beyond purely commercial value.

Existing intellectual property frameworks provide limited protection against style appropriation or cultural extraction because copyright law traditionally protects only fixed expressions rather than generalized artistic aesthetics or cultural influence. Similarly, trademark law protects source identity and consumer association rather than broader artistic dignity or cultural authenticity. As a result, substantial gaps remain between formal legal protection and the ethical realities of AI-generated stylistic replication.⁵⁷

Questions of attribution further complicate the issue. Many artists whose works contribute to machine-learning repositories remain unaware that their artistic creations have been incorporated into commercial generative systems. Even where generated outputs do not directly reproduce existing artworks, the underlying datasets frequently rely upon years of artistic labor contributed by creators who receive neither acknowledgment nor economic participation.⁵⁸ The absence of transparency regarding training datasets therefore undermines principles of fairness, informed consent, and responsible technological development.

Recent international discussions increasingly emphasize the importance of ethical AI governance

frameworks incorporating transparency obligations, dataset disclosure mechanisms, digital provenance systems, and responsible deployment standards. WIPO and several academic commentators have argued that future AI governance models should balance technological innovation with cultural preservation, creator dignity, and accountability principles.⁵⁹ Ethical governance therefore cannot remain a peripheral consideration but must become a central component of future regulatory frameworks governing generative artificial intelligence.

In practical terms, AI platforms may eventually require stronger safeguards relating to culturally sensitive artistic styles, attribution systems, dataset licensing structures, and transparency regarding training-data acquisition. Without such mechanisms, generative AI risks accelerating large-scale commercialization of artistic identities in ways that existing legal doctrines remain unable to adequately address.

Accordingly, the governance of AI-generated artistic replication must evolve beyond narrow infringement analysis and incorporate broader ethical principles capable of preserving cultural integrity, artistic dignity, and responsible technological innovation within increasingly automated creative ecosystems.

Legal Reforms and Policy Recommendations

The rapid expansion of generative artificial intelligence has exposed significant structural limitations within existing intellectual property frameworks. Contemporary copyright and trademark regimes were developed for conventional forms of human authorship, identifiable reproduction, and direct commercial association. Generative AI systems, however, function through large-scale computational learning, algorithmic pattern recognition, and automated stylistic replication, thereby creating legal challenges that traditional doctrines were never designed to address.⁶⁰ Consequently, future regulatory responses must move beyond narrow infringement analysis and adopt broader governance mechanisms capable of balancing innovation, creator protection, and technological accountability.

Reforming Copyright Law for Generative AI

Indian copyright law presently lacks express provisions addressing AI-assisted artistic generation, dataset scraping, or machine-learning processes. Although existing doctrines concerning originality, substantial similarity, and fair dealing remain relevant, they provide limited clarity regarding the legality of automated training systems and stylistic replication

technologies.⁶¹ Legislative reform is therefore necessary to clarify the legal status of AI-generated outputs, the scope of permissible dataset usage, and the liability of individuals or entities commercially deploying infringing AI-generated material.

Rather than recognizing artificial intelligence itself as a legal author, future reforms should focus upon assigning accountability to identifiable human participants within the generative process, including prompt users, developers, publishers, and commercial distributors.⁶² Such an approach would preserve the human-centered structure of copyright law while ensuring that algorithmically generated infringement does not escape regulatory oversight through technological ambiguity.

Dataset Governance and Transparency Obligations

One of the most significant gaps within current regulatory frameworks concerns the absence of effective governance mechanisms relating to AI training datasets. Most generative AI systems rely upon extensive collections of copyrighted works obtained through automated online scraping, frequently without notice, consent, attribution, or licensing arrangements involving creators.⁶³

Future AI governance frameworks should therefore introduce:

- (i) dataset transparency obligations,
- (ii) disclosure requirements concerning training sources,
- (iii) opt-out mechanisms for creators,
- (iv) licensing frameworks for commercial AI training,
- (v) and digital provenance systems capable of tracing the origin of generated outputs.

The European Union's emerging transparency-oriented regulatory model provides a potentially useful reference point in this regard.⁶⁴ Similar accountability mechanisms could assist Indian regulators in balancing technological innovation with creator protection and commercial fairness.

Trademark Protection and Brand-Based Prompt Regulation

Trademark law must also evolve to address the increasing use of recognizable commercial identities within generative AI prompts and algorithmic content-generation systems. Existing trademark frameworks primarily regulate visible commercial usage of protected marks; however, AI systems increasingly exploit brand value indirectly through prompts referencing famous studios, characters, artistic identities, or entertainment franchises.⁶⁵

Regulators may therefore consider:

- (i) prompt moderation systems,
- (ii) restricted commercial use of protected brand identifiers,
- (iii) mandatory disclosure for AI-generated branded content,
- (iv) and platform-level safeguards designed to reduce deceptive commercial association.

Such measures would help prevent trademark dilution, false endorsement, and unfair exploitation of commercially valuable artistic identities within digital marketplaces.

Intermediary Responsibility and Platform Accountability

The growing commercial influence of generative AI platforms necessitates clearer standards regarding intermediary liability and algorithmic accountability. While safe harbor protections remain important for technological innovation, intermediary immunity should not extend to situations involving active facilitation, monetization, or promotion of infringing AI-generated content.⁶⁶

Future regulatory frameworks should therefore clarify:

- (i) the responsibilities of AI developers,
- (ii) obligations concerning prompt moderation,
- (iii) transparency regarding prohibited content,
- (iv) notice-and-removal procedures,
- (v) and accountability for commercially distributed infringing outputs.

Shared responsibility models involving users, developers, distributors, and hosting platforms may provide a more practical approach than attempting to assign liability exclusively to any single participant within the generative ecosystem.

Ethical Governance and Cultural Protection

Generative AI governance must additionally incorporate ethical principles relating to artistic dignity, attribution, cultural preservation, and responsible technological deployment. Existing intellectual property law provides limited safeguards against algorithmic appropriation of culturally significant artistic traditions or aesthetic identities lacking conventional proprietary protection.⁶⁷

India may therefore benefit from integrating AI governance with broader cultural-protection frameworks through:

- (i) ethical dataset standards,
- (ii) attribution systems,
- (iii) culturally sensitive AI guidelines,

- (iv) and stronger protection mechanisms for traditional knowledge and indigenous artistic expression.

Such reforms would support both technological development and preservation of cultural integrity within increasingly automated creative environments.

International Harmonization of AI Governance

Because generative AI systems operate across jurisdictions and digital platforms, isolated domestic reforms may ultimately prove insufficient. International coordination through organizations such as WIPO and the WTO will likely become essential for addressing cross-border disputes involving dataset governance, AI-generated content, platform accountability, and digital intellectual property enforcement.⁶⁸

Future international frameworks may require:

- (i) harmonized transparency obligations,
- (ii) interoperable licensing systems,
- (iii) standardized attribution mechanisms,
- (iv) and cooperative approaches toward AI-generated artistic replication.

Without coordinated international governance, significant disparities between national regulatory models may create uncertainty for creators, platforms, and users operating within increasingly globalized digital ecosystems.

Conclusion

Generative artificial intelligence has fundamentally altered the relationship between creativity, technology, and intellectual property law. Unlike conventional artistic production, contemporary AI systems operate through large-scale computational learning processes capable of generating sophisticated visual outputs derived from extensive datasets containing human-created expression, stylistic patterns, and culturally recognizable artistic identities. As a result, traditional legal distinctions between inspiration, imitation, and infringement have become increasingly difficult to apply within algorithmically mediated creative environments.⁶⁹

The controversy surrounding AI-generated “Ghibli-style” art demonstrates the broader structural limitations of existing copyright and trademark frameworks in addressing machine-assisted artistic replication. While copyright law traditionally protects identifiable expression rather than generalized artistic style, generative AI systems are capable of reproducing recognizable visual aesthetics at industrial scale and unprecedented speed. Similarly,

trademark law faces growing challenges where commercially valuable artistic identities are indirectly exploited through prompt-based content generation and algorithmic association.⁷⁰

The study demonstrates that contemporary legal disputes involving generative AI cannot be resolved solely through conventional output-based infringement analysis. The governance of training datasets, algorithmic learning processes, platform accountability, attribution systems, and commercial deployment practices has become equally significant in determining the legality and legitimacy of AI-generated artistic content. Existing legal regimes in India remain comparatively underdeveloped in addressing these concerns, while international approaches continue to reflect divergent regulatory priorities balancing innovation, creator protection, and technological growth.⁷¹

At the same time, the issue extends beyond formal legal doctrine into broader ethical and cultural concerns. Artistic styles and culturally embedded creative traditions represent more than commercially valuable assets; they often embody collective cultural memory, historical expression, and creative identity. The unrestricted computational replication of such aesthetics without attribution, consent, or participation from original creators therefore raises important questions regarding fairness, artistic dignity, and responsible technological development.⁷²

Future governance frameworks must therefore adopt a more balanced and adaptive approach capable of protecting creators without unnecessarily restricting innovation. This requires regulatory attention not only toward AI-generated outputs but also toward dataset transparency, platform responsibility, licensing mechanisms, prompt governance, and ethical accountability standards. International cooperation through organizations such as WIPO and emerging comparative regulatory models may further assist in developing harmonized approaches toward AI governance and intellectual property protection.⁷³

Ultimately, generative artificial intelligence should not be viewed solely as a threat to artistic creation nor as an unrestricted technological frontier immune from legal regulation. Rather, the future of AI governance depends upon constructing legal frameworks capable of preserving innovation, cultural integrity, and creator rights simultaneously within increasingly automated creative ecosystems.

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