

Remarks: “Generative AI: Perspective of the Japan Fair Trade Commission”

Issues Regarding the Development, Provision, and Use of Generative AI Under Anti-monopoly Act and Competition Policy

(1) Consideration of Current Competitive Environment

Promotion and Diversification of Service Development: The active development and provision of foundation models have promoted the development of services utilizing generative AI to generate various contents.

Existence of Various Options, Including Open Source Software: The variety of options will ensure favorable competitive environments, such as enabling entry of a variety of new enterprises, promotion of new services and innovations, and provision of a variety of choices to customers.

(2) Competition Policy Issues Under Discussion

Access: Businesses that already have extensive access to data sets may be acting in ways that prevent competitors from accessing critical data sets.

Self-preferencing: Providers of foundation models may develop the foundation models so that their own goods and services can appear more favorably. Likewise, providers of services using foundation models may treat their own goods and services more favorably in their services.

Tying, Enclosing: A dominant player at one layer may tie together another service it provides at another layer, thereby inhibiting competition at that another layer. Business combinations or alliances may be formed with the aim of incorporating technology or retained data, or of locking in highly skilled professionals.

Learning from Creative Data: Generative AI which learned by using creative data is potentially in competition with creative businesses. The generative AI may establish potent competitive advantages over the creative businesses, resulting in undermining opportunities for competition for them.

Direction of Approach

Need to make efforts to enable agile responses, and to keep a close eye on issues above with high interest.