

NOT JUST A
LAW FIRM



AI

AI AS CREATOR, LAW AS SPECTATOR
THE BATTLE FOR OWNERSHIP IN AI-PRODUCED FILM

When the law falls behind the machine, who really owns the future?

WHAT IS ARTIFICIAL INTELLIGENCE



Artificial Intelligence is a technology that enables machines or computers to mimic human cognitive abilities. AI, or artificial intelligence, is a system capable of understanding, learning, and thinking like humans in certain aspects, such as recognizing patterns, making predictions, and solving complex problems.

DEFINITION

AI can generate content by retrieving images from internet search engines and collecting information that is processed into a database, which then quickly produces content based on the description provided by the user.

HOW DOES IT WORK?

AI has revolutionized the film industry, transforming every stage from production and marketing to distribution and performance evaluation. By streamlining complex tasks such as creating visual effects, generating digital characters, and even writing storylines, AI not only advances filmmaking technology but also enables studios to significantly reduce costs and maximize profitability.

APPLICATION IN INDUSTRY

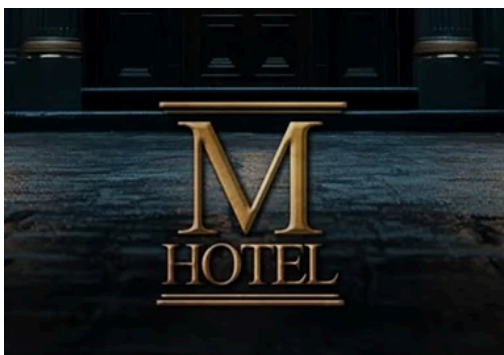
THE NEW WAVE OF AI-PRODUCED FILM

THE FROST (2024) - UNITED STATES

"The Frost" came to life using this very tech. The AI, including DALL-E 2, studied lots of movies and scripts to learn how to tell a good story and create interesting characters. It shows us what's possible when technology meets creativity and challenges us to think about what makes a movie truly great.



M HOTEL (2025) - SOUTH KOREA



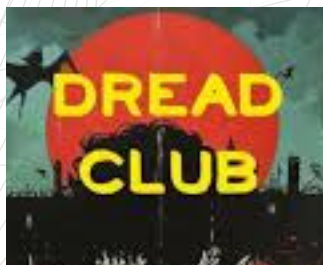
M Hotel follows a homeless man in a high-rise city who finds a mysterious key. The key leads him to a hotel where a series of events help him rediscover the meaning of life. The acclaimed project won Best AI Film at the Cannes World Film Festival (2025), the Venice AI Film Awards (2024), and the AMT International Film Festival (2024).

DIPONEGORO HERO: 200 YEARS OF JAVA WAR (2025) - INDONESIA

As Indonesia's first film produced entirely with AI, this project from Mars Media and director King Bagus tells the heroic story of Prince Diponegoro during the Java War (1825-1830). By using AI to reconstruct highly detailed cities, battlefields, and characters, the filmmakers beautifully combined historical research with modern technology to deliver stunningly accurate visuals.



DreadClub: Vampire's Verdict (2024) - UNITED STATES



The film was made entirely by Hooroo Jackson, directing the film for \$405 between February and July 2024 using only AI technology for sound, music, performances, imagery and animation, using AI as a writing partner. Several sequences utilized AI editing with LLM-dictated paper edits.

INDONESIA'S REGULATION ON AI GENERATED CONTENT

LEGAL STANDING ON AI

- **Law Number 1 of 2024 on the Second Amendment to the Law on Information and Electronics Transactions (ITE Law)** - the use of the term "electronic agent," which some experts believe refers to AI.
- **Government Regulation Number 71 of 2019 on the Implementation of Electronic Transaction Systems** - Every operator of an electronic system, including AI, is required to register with the Minister of Communication and Information Technology (Menkominfo).
- **Regulation of the Minister of Communication and Digital No. 15 of 2025 on Business Activity Standards and Product Standards for the Implementation of Risk-Based Business Licensing in the Postal, Telecommunications, and Electronic Transactions and System Implementation Sectors** - AI-based business standards under KBLI code 62015 and all businesses and electronic system operators are required to establish internal policies regarding data and AI ethics along with other relevant obligations.
- **Circular Letter Number 9 of 2023 from the Minister of Communication and Information Technology on Artificial Intelligence Ethics** - several ethical principles are introduced in the implementation of AI such as: inclusivity, security, humanity, privacy, transparency, accountability, credibility and personal data protection .

LEGAL STANDING ON COPYRIGHT ("Law No 28/2014")

Copyright is the exclusive right of the author that arises automatically under the declaratory principle once a work is embodied in a tangible form, subject to the limitations set forth in applicable laws and regulations. (Art 1(1))

An author is a person or persons who, individually or jointly, **produce** a work that is distinctive and original. (Art 1(2))

A work is any creative work in the fields of science, art, and literature produced through inspiration, ability, thought, imagination, ingenuity, skill, or expertise and expressed in a tangible form. (Art 1(3))

A person means an **individual** or a **legal entity**. (Art 1(27))

CHALLENGES & LEGAL STATUS OF AI UNDER INDONESIAN COPYRIGHT LAW

AI is Not a Legal Subject

Indonesian Copyright Law strictly requires a creator to be either a individual (natuurlijk persoon) or a legal entity (rechtspersoon). Currently, the Indonesian legal system does not recognize AI as either, meaning it cannot be categorized as a legal entity in copyright law.

AI Lacks “Distinctive & Personal Character”

Legal precedent dictates that creators must possess the conscious knowledge and ability to explain their creative process. While AI can analyze data and log its outputs, it cannot explain its “intellectual process” or demonstrate conscious “knowledge” of its creation. Only the programmer can truly explain how the system works.

The Human Authorship Requirement and Treshold of Human Contribution

Indonesian Copyright Law is built on a human-centric authorship model, where protection arises from: intellectual effort, creativity, and personal expression. This creates a structural problem:

- If a work is fully generated by AI, it means no identifiable human creator
- If a work is partially AI-assisted, it means unclear threshold of human contribution

The law does not define how much human input is required and whether prompting qualifies as “creation”

Evidence & Proof of Creation

In disputes, parties must prove: authorship, originality and date of creation. With AI: Outputs can be generated instantly, multiple users can produce similar results and process is often transparent. The question is, how do you prove who created what?

CHALLENGES & LEGAL STATUS OF AI UNDER INDOONESIAN COPYRIGHT LAW

Performer and Likeness Rights

AI can recreate actors (face, voice, style). This will raise another legal issues such as: consent and licensing of likeness, posthumous digital recreation, and misuse of identity. Indonesia lacks clear rules on AI-generated digital performers in film.

Commercial and Industry Risk

Because of the legal uncertainty, it is difficult to: license AI-generated films, secure investment and enforce rights against piracy. Legal ambiguity reduces the economic value of AI-generated films.

AI as Tool vs Creator

In current doctrine treats technology as a tool. However, AI in filmmaking can generate scripts, design scenes and simulate actors. At what point does AI stop being a tool and start being a "creator"?

Liability for Infringement

If an AI-generated film infringes someone's copyright, Who is responsible? Developer of the AI? User (prompt creator)? or Platform provider? Indonesian law does not allocate liability in AI contexts. This creates enforcement uncertainty where the rights exist, but accountability is unclear.

In light of the above, the presence of a substantial legal vacuum highlights the necessity for reform of Indonesian Copyright Law to provide clarity and certainty for AI-generated works, especially in the context of filmmaking.



COMPARISON WITH OTHER COUNTRIES' COPYRIGHT LAW

CANADA

- **Non-Human Authorship & Ownership (Copyright Act C-42 1985):** Human authorship is not explicitly required. The creator is the initial copyright owner and rights are fully transferable and licensable.
- **Tech Protection & Exceptions (Modernization Act 2012):** Circumventing technological protections is prohibited. Exception → Lawful possession or valid licensing of the computer program/system.
- **AI Works as "Artistic Works":** AI-generated visuals (paintings, photos) legally qualify as "artistic works" under Article 2.
- **Derivative Works Limitation (Théberge Case):** The Supreme Court limits derivative protection to balance creator rights with public dissemination. Infringement requires the explicit reproduction of the underlying original work.
- **Originally Test (CCH Canadian Case):** Derivative works must pass a general originality test, requiring the exercise of "skill and judgment" by the author.



UNITED KINGDOM (CDPA 1988)

- **Computer-Generated Works (Section 178):** Explicitly defines works created without human intervention, which directly applies to fully AI-generated creations.
- **Authorship & Liability (Section 9.3):** Since AI lacks legal personhood, authorship is assigned to the person or corporate entity that made the arrangements for the work's creation.
- **Copyright Duration (Sec 12.7):** Protection for 50 (fifty) years, starting from the end of the calendar year the work was created.
- **Moral Rights Exceptions:** AI-generated works do not possess moral rights, specifically:
 - No right to be identified as the author or director (Sec. 79).
 - No right to object to derogatory treatment of the work (Sec. 81).



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