
Tech, IP and Telecoms Law Newsletter

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We are pleased to present the January 2025 issue (Vol.13) of our Tech, IP and Telecoms Law Newsletter, a collection of the latest information about Japanese technology, intellectual property, and telecommunications law. We hope that you will find it useful to your business.

1. Cabinet Secretariat: Publication of Recommendations from the Expert Committee on Enhancing Cybersecurity Response Capabilities

The Expert Committee on improving response capabilities in the field of cybersecurity, established within the Cabinet Secretariat, published its "[Recommendations for improving response capabilities in the field of cybersecurity](#)" (only available in Japanese) on November 29, 2024. This committee was formed to deliberate on the necessary legal frameworks for realizing Active Cyber Defense ("**ACD**"), as outlined in the [National Security Strategy](#) (approved by the Cabinet on December 16, 2022). On August 7, 2024, the committee had previously released an [interim report](#) (also only available in Japanese) summarizing the discussions to date (for details please refer to [this newsletter's vol.11](#)).

The Recommendations, similar to the interim report, are structured around four key themes: "Strengthening Public-Private Cooperation," "Use of Communication Information," "Access and Neutralization," and "Cross-cutting Issues."

Particularly within the theme of "Strengthening Public-Private Collaboration," the section on "Systems Supporting Government Information Provision and Response" states that "among essential infrastructure operators, those whose operations, if subjected to a cyberattack, could potentially compromise national and public safety, should be mandated to report incidents and promote information sharing."

The term "essential infrastructure operators" here refers to designated "tokutei-shakai-kiban-jigyosha" under the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Economic Security Promotion Act), and covers a total of 15 sectors (note that the port transportation sector, added in the 2024 amendment, is not yet in effect).

Looking ahead, we anticipate that a bill concerning ACD, including the imposition of incident reporting

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obligations on these operators, will be submitted during the regular Diet session in 2025. Potentially affected operators should continue to closely monitor developments relating to this bill.

2. Ministry of Internal Affairs and Communications Releases its “Report 2024” from the Study Group on the Realization of a Safe and Secure Metaverse

On October 31, 2024, the Ministry of Internal Affairs and Communications published “[Report 2024](#)” from the “Study Group on the Realization of a Safe and Secure Metaverse”. This report was compiled based on the group’s discussions and the results of a public opinion survey conducted from September 19 to October 8, 2024.

The report analyzes trends in the metaverse market and user base, domestic and international policies, technological developments, and more. It also includes examples of applications, such as collaborations with rapidly advancing generative AI. Furthermore, to create a safer and more secure metaverse for users, the Metaverse Principles (Version 1.0) have been formulated.

The Metaverse Principles (Version 1.0) are built on two main pillars: (1) the independent and autonomous development of the metaverse, and (2) enhancing the reliability of the metaverse; they outline various guidelines from the perspectives of openness and innovation, diversity and inclusiveness, literacy, community, transparency and accountability, privacy, and security. Specifically, they include “respect for the metaverse as a free and open space”, “appropriate protection of intellectual property rights”, “proper handling of user activity history,” and “ensuring the security of the metaverse system”.

We anticipate that international discussions and efforts to build a shared understanding will advance further, based on the ideas presented in this report.

3. Recent Trends in the Handling of Minors’ User Information

In recent years, there has been growing awareness of the need to protect minors, particularly in online services. Reflecting global legislative trends, including those in the US and Europe, special regulations

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concerning the handling of minors' user information are under active consideration.

In Japan, the ongoing so-called "[Triennial Review](#)" of the [Act on the Protection of Personal Information](#) includes discussions on strengthening protections for minors' personal information. Key topics being considered include requiring parental involvement, expanding the scope of rights to request suspension of use, enhancing obligations for security management measures, and establishing specific responsibilities for businesses in handling minors' information (as outlined in the [interim report](#)).

Additionally, a proposed revision to the "Smartphone Privacy Initiative" (as part of the [report of the Working Group on User information](#)), published by the Ministry of Internal Affairs and Communications on November 29, 2024, outlines desirable practices for handling minors' user information. These include obtaining prior consent from legal guardians before collecting minors' information and refraining from displaying targeted advertisements based on the profiling of minors' data. Further discussions are expected to address additional measures for protecting minors.

Finally, on November 25, 2024, the Children's and Families Agency launched the "[Working Group on Protecting Youths in Internet Use](#)." This group is expected to conduct more comprehensive discussions on safeguarding minors in online spaces.

4. AI Strategic Council and AI Institutional Study Group: Publication of the "Interim Report (Tentative)"

On December 26, 2024, the AI Institutional Study Group released its "[Interim Report \(Tentative\)](#)." Since July 2024, under the AI Strategic Council, the AI Institutional Study Group has been examining the framework for AI governance systems, including the necessity of legal regulations. This interim report draft consolidates the discussions so far and outlines the government's anticipated policy on AI regulations in Japan. The government is expected to consider public comments on the interim report draft and aim to submit a bill during the regular Diet session in 2025.

The interim summary draft outlines several policy directions. For instance, it suggests that to balance innovation promotion and risk management, a combination of laws and soft laws like guidelines should be

used. It emphasizes respecting the autonomy of businesses and limiting legal regulations to areas where voluntary efforts by businesses are insufficient. The draft suggests that AI regulations should be minimal and based on risk analysis.

Additionally, the draft points out that to enhance safety, ensuring transparency and fairness is crucial, as well as it being necessary to establish appropriate legal systems. It also highlights the necessity for the government to collect information on AI safety and transparency, including supply chain risk measures. Such government investigations require the cooperation of businesses, both domestic and international, suggesting that legal measures to facilitate this cooperation are thought appropriate.

The draft also notes that while penalties can ensure compliance, even without penalties, clearly stating the obligations and responsibilities of businesses in the law can still enforce discipline and ensure a certain level of effectiveness. This mention of non-penal options is noteworthy.

Based on the interim report draft, the focus of legal frameworks appears to be on ensuring transparency, fairness, and public-private cooperation for government investigations, rather than on imposing strict regulations or organizational requirements on private businesses. Market participants will benefit from monitoring future discussions on the specific legal institutionalization implemented based on the interim report draft. For more detailed information on the interim report draft, please refer to our [Data Security Newsletter \(January 2025 issue\)](#).

5. Ministry of Internal Affairs and Communications releases for comment its “Draft Ministerial Ordinance on Information Distribution Platform Act”

The Ministry of Internal Affairs and Communications has put out for [public comment](#) from December 20, 2024 to January 23, 2025 a draft ministerial ordinance and two draft guidelines regarding the requirements for designating businesses subject to [the Act on the Partial Revision of the Act on the Limitation of Liability for Damages of Specified Telecommunications Service Providers and the Right to Demand Disclosure of Identification Information of the Senders](#) (Information Distribution Platform Act (**IDPA**)) and the content of their obligations.

Under the IDPA, businesses that provide information distribution platforms such as major SNS services will be designated as “large-scale specified telecommunications service providers” and will be required to take measures to speed up the deletion of illegal and harmful information such as defamatory materials, as well as to make their operational status more transparent.

In the draft ministerial ordinance, the scale requirement for being designated as a “large-scale” specified telecommunications service provider is either (1) (in the case of services that require user registration) an average of over 10 million active users per month, or (2) (in the case of services that do not require user registration) an average of over 2 million posts per month. Services that do not primarily aim to facilitate interaction between unspecified users, such as Electronic Commerce (“**EC**”) sites, search sites, and app stores, as well as incidental services such as comment sections on EC sites and in-game chat functions, are excluded from the scope of the designation.

The draft guidelines also include specific examples of how to accept requests for removal (e.g. by making it possible to access the page with a few clicks from the top page), as well as categories and specific examples of illegal and harmful information that can be used as a reference when formulating implementation standards for *inter alia* account suspension and freezing.

In addition, to speed up the removal process, large-scale specified telecommunications service providers are required to decide on whether or not to remove the content within a certain period of time and to notify the requester, with the draft ministerial ordinance setting this period at seven days.

IDPA will come into force on a date to be specified by a Cabinet Order within a period not exceeding one year from the day of promulgation (i.e. May 17, 2024). For more information on IDPA, please refer to the [Data Security Newsletter “Proposed Amendment to the Provider Liability Limitation Act \(Draft Information Distribution Platform Act\)”](#).

6. The status of discussions towards the triennial review of the APPI

The Personal Information Protection Commission (“**PPC**”) has continued to discuss the triennial review of the Act on the Protection of Personal Information (“**APPI**”), focusing on the various issues raised in the [interim report](#) published on June 27, 2024 (for an overview, please refer to [this newsletter from July 2024 \(Vol. 10\)](#)).

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As a result of intensive discussions held by an expert panel from July 2024 on the issues of “an administrative fine system, and a system for consumer organizations to seek injunctive relief and recovery of damages”, a [report](#) was compiled on December 25, 2024, which included concrete proposals for the design of the system. On the other hand, although the PPC has been engaged in discussions based on dialogue with various stakeholders on other individual issues, it has yet to present any specific direction for amendments. In this regard, on October 16, 2024, the PPC published “[Perspectives for Enhancing the Triennial Review of the APPI](#)”, and decided to deepen the discussion about the fundamental nature of the personal information protection system, and later published the [results of hearings](#) from stakeholders, including experts, on December 17, 2024.

Based on the results of the above-mentioned deliberations, the PPC published “[The Way Forward for the Triennial Review of the APPI](#)” and “[Reorganizing the Systematic Issues of the APPI](#)” on January 22, 2025. It is important to note that these documents suggest the possibility of relaxing the consent requirements, taking into account the impact on the rights and interests of individuals, and relaxing the obligation to notify the affected individuals in the event of a data breach in cases where there is little risk to the rights and interests of said individuals.

Although there are still many unsettled points, including the direction and timing of future amendments to the APPI, the progress of the discussions at the PPC bears continued monitoring. You can check the status of the triennial review of the APPI in a [special webpage](#) (in Japanese) set up by the PPC.