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(IJLGC)**www.gaexcellence.com/ijlgc**A STAGE-BASED LEGAL FRAMEWORK FOR
GENERATIVE AI USES OF WORKS OF FOLK
LITERATURE AND ART**Li Xiaodan^{1,2*}¹Faculty of Law, Universiti Teknologi MARA, Shah Alam, Malaysia²Faculty of Law, Hebei Finance University, Baoding, China2022999869@student.uitm.edu.my<https://orcid.org/0009-0008-4160-9775>

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DOI: 10.35631/IJLGC.1145014**Abstract:**

Generative AI increasingly uses Works of Folk Literature and Art (WFAs) as training data, style references, prompt templates, and commercial design resources. Because WFAs come from collective practice and intergenerational transmission, ordinary copyright law cannot fully address AI-related harms such as false cultural attribution, derogatory distortion, and large-scale commercial exploitation. This article examines why the existing copyright framework is insufficient and how legal responsibilities should be allocated by the training, output, and dissemination stages. Using doctrinal legal analysis of relevant Chinese laws, representative AI-related cases, and international materials concerning traditional cultural expressions, the article proposes a stage-based legal framework. At the training stage, the focus should be on the legality of data sources, sensitivity screening, and reasonable output control. At the output stage, distinctions should be made between identifiable expressions and general stylistic references. At the dissemination stage, liability can depend on the actor's capacity for control, commercial benefit, and role in market circulation.

Keyword:

Generative AI; Works of Folk Literature and Art; Copyright; Stage-Based Legal Framework ; Cultural Heritage Protection



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Introduction

Generative AI has changed the conditions under which cultural expression is collected, learned, recombined, and circulated. Text, images, music, video, product designs, advertising materials, and cultural creative goods can now be produced through model-based systems at low cost and large scale. Traditional cultural materials are not peripheral to this process. They appear in scraped datasets, digitized museum collections, online performances, community archives, prompt libraries, and commercial templates. Once converted into machine-readable patterns, these materials can be repeatedly accessed as style, atmosphere, motif, source label, or product identity.

The law needs to address how AI uses WFA, and what kind of protection such works themselves should receive. WFA fall between public cultural resources and the expressions which can be protected by copyright. It generally lacks identifiable authors, have been passed down for generations, and exceeded the protection period. But the WFA often embodies the spirit of a nation or a region's people. Accordingly, the scope of this paper is narrower than the general discussion of AI and copyright law. This paper mainly examines why ordinary copyright law cannot fully address the legal problems about the use of WFA by generative AI, and how legal responsibilities should be allocated at the training, output, and dissemination stages. At the same time, traditional culture cannot be protected permanently as exclusive property. Therefore, this paper attempts to establish a stage-based legal framework that protects identifiable cultural interests while leaving sufficient room for the lawful use and re-creation of traditional culture.

Literature Review

Existing research has provided a theoretical foundation, but there are limited research specifically addressing regarding the use of WFA by AI. The research on AI copyright mainly concerns whether AI-generated outputs can constitute works, whether users or developers can claim authorship, and how to determine originality when human input is influenced by the mediation of AI models. Samuelson's early analysis of computer-generated works is still meaningful today. She pointed out that the content automatically generated by software cannot be simply fitted into the traditional authorship system, and the ownership of works also cannot be derived only from the control over the generating program (Samuelson, 1986). Subsequent research generally discusses outputs, programmers, users and the training process separately as distinct legal subjects. These studies have important value, but when AI uses works, it is not only the use of works in the narrow sense of copyright, but it may also involve the reference to traditional culture. Rather, they often carry collective cultural significance, raising concerns that extend beyond the traditional boundaries of copyright law. Research on WFA as well as traditional cultural expressions differs from the foregoing. Relevant studies mainly explore which subject matter is eligible for protection, who is entitled to claim rights on behalf of the corresponding community, the duration of protection, licensing mechanisms and revenue distribution arrangements. The relevant WIPO literature indicates that expressions of traditional culture may cover oral, musical, performative, visual, craft, architectural, and symbolic forms. Cultural communities generally also seek to prevent offensive uses, false

claims of authenticity, and commercial exploitation without consent or without benefit-sharing (Khaing, 2016). These questions remain worthy of further research, yet they were formulated primarily for non-AI scenarios including publishing, tourism, cultural and creative merchandise and museum exhibitions, and fail to adequately address new challenges posed by generative AI.

At present, the research on platform liability also has similar limitations. Scholars usually focus on ordinary copyright infringement, moral rights, notice-and-takedown obligations, or algorithm recommendation, while paying less attention to false claims of cultural origin and culturally derogatory uses. Burk's discussion on algorithmic fair use is inspiring for this study. In his research, he pointed out that automated copyright enforcement often cannot evaluate the specific context and may embed the values of platform design into public behavior (Burk, 2019). For WFA, excessive automatic filtering may cause the consequences of over-protecting cultural styles and suppressing legal re-creation, but if platform review is insufficient, it may allow large-scale false attribution and uses that infringe moral rights. Existing studies have examined from different perspectives about AI copyright, the protection of WFA and traditional cultural expressions, and platform liability. But these issues are usually discussed separately. Existing research has not yet provided a clear legal framework for determining how different rules should apply when generative AI uses WFA at different stages. And, it is necessary to distinguish the general cultural or stylistic reference from the use of identifiable WFA expressions, and to clarify the responsibilities of model developers, users, commercial operators, and platforms. Based on this research gap, this paper treats the use of WFA by generative AI as a stage-based legal issue rather than only as a question of copyright ownership or infringement.

In terms of research method, this paper mainly adopts doctrinal legal analysis and case analysis. It examines relevant provisions of Copyright Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Intangible Cultural Heritage Law of the People's Republic of China, and Regulations on Copyright Protection of Works of Folk Literature and Art (Draft for Public Comment). Relevant WIPO and UNESCO materials are also used as references. In addition, representative Chinese cases involving AI-generated images, AI-generated voice, and AIGC platform liability are examined to identify the legal principle. These legal materials are analysed by three stages of training, output, and dissemination.

Limits of Copyright Law

Author-Centered Limits

It is hard to identify specific authors of WFAs, which makes it difficult to protect them. In ordinary copyright law, an author creates an original expression, and ownership usually comes from the act of creation or a later transfer. This framework applies to most modern works such as novels and photographs, yet it proves inadequate when dealing with traditional cultural materials including folk songs, embroidery patterns and folk tales. The latter is often formed through repeated performance and inheritance, and the basis for its right to obtain protection mainly comes from the recognition of the community and continuous dissemination, rather than the individual creation at a certain moment.

When generative AI utilizes WFAs, the process of obtaining permission from right holders is in fact absent. The model can directly learn from museum images, community archives, and online performances, and then generate specific outputs that clearly point to a particular cultural source. Ordinary copyright analysis usually focuses on whether a specific author owns the rights to a specific protected work, and whether the work has been reproduced. In addition, it cannot deal with the situation where AI-generated outputs draw on the cultural symbols of a community, but do not reproduce any single work in a way that traditional copyright claims can reach.

Based on this, the concept of “collective cultural interests” is used in a limited way in this study. This does not mean that every community has copyright over all materials related to it, but only refers to source identification, contextual meaning, transmission order, and preventing expressions with cultural significance from being used in a misleading or derogatory way. In the Chinese legal system, there is no specific legislation on the concept of WFA, but WFA enters legal analysis through Article 6 of the Copyright Law, intangible cultural heritage protection, the Anti-Unfair Competition Law, consumer protection, and platform obligations.

Term Limits

Copyright limitations also include the term of protection, which is important for the use and re-creation of materials in the public domain. The term of protection prevents private parties from permanently controlling cultural resources and allows works to be used for learning and re-creation. However, the problem is that WFA do not always lose the significance of protection after the ordinary copyright term has expired. A particular traditional cultural work may still exist for a long period of time as part of a community’s transmission practices after the law no longer treats it as a proprietary right of an individual author.

In this context, greater caution is required when AI uses such works. Images, songs, stories, and patterns in the public domain can be transformed on an industrial scale into prompts, training data, and style references. Platforms may sell thousands of “traditional” designs, but do not copy any protected original work. If the only issue is whether there is a copyright that is still under protection, the law often has no way to respond. But the same use may also cause confusion to consumers, encroach on the potential market of the original right holders, or damage the national spirit.

However, WFAs should not be protected monopolization, because this may limit cultural exchange and re-creation. A better approach is to give WFAs limited protection. When a WFA's copyright term has expired, it can be referenced, learned from, and adapted, but it cannot be distorted, changed improperly, or misused. Cultural interests outlive the copyright term. Protecting them does not require permanent exclusive rights. Targeted rules against misrepresentation and unfair commercial practice can do the work.

Reproduction-Based Limits

Infringement analysis has its own blind spot. Copyright rules work tolerably well when a defendant reproduces, adapts, or disseminates a protected expression. The same holds when AI-generated output closely tracks a particular folk song, a story, a photograph, or a recorded performance. In these cases, linking the protected work to the alleged infringement poses little difficulty.

The analysis stumbles when no specific work has been copied. Training on a cultural style. Applying a misleading label. Placing sacred symbols on cheap, mass-produced goods. Each of these falls short of conventional copyright infringement, yet each can wound the communities and inheritors whose culture is at stake. No direct property right has been violated. But the damage to cultural value runs deep. For this reason, the right of integrity under moral rights can better address some problems.

First, copyright law can be directly applied to protect WFA if it can be identified as a copyrighted work. If a specific expression of folklore can still be identified and is protected by law, distortions, alterations, or derogatory modifications caused by AI can be analyzed under the right of integrity. However, this approach should remain narrow, as moral rights are not suited for monopolizing general cultural styles.

Secondly, enact a separate statute, namely the Regulations on the WFA (hereinafter referred to as the Protection Regulations). When a cultural expression can be specifically identified, but ordinary authorship, ownership, or the term of protection is not stable, courts need not extend protection beyond the basis provided by ordinary moral rights. The future Regulations on the Protection of Works of Folklore may directly govern source attribution, derogatory alterations and benefit-sharing arrangements. Such an arrangement can protect meanings that are culturally embedded without assuming that every traditional expression meets the requirements of ordinary copyright law.

The third approach is to apply the Anti-Unfair Competition Law, consumer protection regulations, the the Intangible Cultural Heritage Law of the People's Republic of China and other relevant laws outside the scope of the Copyright Law. Certain AI outputs use ethnic imagery, sacred patterns, or pseudo-traditional styles in advertising, e-commerce, entertainment, or platform recommendations, without reproducing any specific work. In such cases, the focus of judgment shall lie on whether the use is misleading, derogatory or constitutes commercial misappropriation under specific circumstances, rather than whether the court can establish substantial similarity with a single protected work.

Improper Commercial Use

WFA is highly susceptible to improper commercial exploitation. Nonetheless, the commercial use of works of folklore is not inherently unlawful. Publishing, education, cultural and creative products, and licensed design may all support the transmission of traditional culture and provide income for inheritors. The problem arises when commercial actors use AI to convert cultural reputation into sellable products, while concealing their origins, fabricating heritage, damaging moral rights, or crowding out the market of genuine heritage.

Commercial abuse may occur in several different forms. One common situation involves ordinary copyright infringement, where AI-generated outputs directly copy or adapt specific protected WFA. The second type is false advertising or unfair competition, where a product—even if it does not reproduce a protected work—is nevertheless sold as an intangible cultural heritage product, a work by a heritage bearer, a handmade ethnic craft, or an authorized cultural design. The third type involves harm to collective cultural interests: the utilized content bears cultural identifiability and commercial significance, and impairs source tracing, inheritance order or the intangible cultural heritage market. Through such a distinction, both forms of

misuse can be avoided at the same time—preventing all traditional styles from being treated as free commercial raw materials, while also preventing every cultural reference from being turned into exclusive property.

Stage-Based Regulation

The use of WFA by generative AI involves different actors and different legal risks at different stages. Therefore, it is difficult to regulate the whole process by a legal rule. The training stage mainly concerns the source and use of training materials; the output stage mainly concerns whether specific WFA expressions can be identified and whether they are improperly used; and the dissemination stage mainly concerns market circulation, commercial presentation, consumer confusion, and platform responsibility. On this basis, different stages should have different duties and legal responses.

Training

Training generally encompasses collection, reproduction, annotation, embedding and model learning. In most cases, the original source expressions are not disclosed to the public, nor do they directly displace the market for original works. Requiring blanket authorization for every publicly available work of WFA would be difficult to manage and might also reduce the frequency with which traditional culture is used. However, the openness of the training stage does not mean that the legality of sources and cultural sensitivity can be ignored.

A duty of care in AI training is necessary, but it should not be set too high. The duty of care mainly covers materials from illegal sources, restricted or internally designated cultural materials, explicit rights reservation notices, and scenarios where identifiable heritage patterns are repeatedly generated even after testing or receiving notifications. Developers can be expected to avoid illegal crawling, circumvention of technical protection measures, violation of explicit rights notices, and the use of datasets known to contain unauthorized protected materials. Developers also need to distinguish ordinary public materials from sacred, confidential, internal or explicitly restricted expressions. For models and applications that repeatedly generate identifiable heritage patterns, specific ethnic or community styles, or culturally sensitive symbols, an increased duty of care with respect to outputs may be required.

Output

In terms of output generation, prompts may be taken as a primary reference factor. For example, a prompt such as "Create a design inspired by the colors of traditional high-mountain-and-flowing-water embroidery" may generate a general style without reproducing any protected expression. The prompt "Generate a pattern identical to a specific heritage embroidery design" is likely to produce an identifiable expression. Prompts that combine sacred patterns with derogatory or commercialized images raise different issues again. Courts should refrain from treating the adoption of AI per se as a decisive factor in adjudication; instead, they ought to examine which cultural references are adopted in the AI-generated output and the degree of identifiability of such references.

At this stage, the descriptions concerning the use of WFA elements contained in the prompts shall be specifically identified. These factors include the identifiability of specific expressions, distortion of cultural use, use of sacred or internal materials, false source declarations, and

commercial placement. If the output copies a specific folk work and distorts it, the right of integrity can directly regulate it. If the output refers to a specific cultural source, but ordinary ownership or the term of protection is not clear, protection regulations can be used to regulate it. If the output only relies on abstract symbols or pseudo-traditional styles, the analysis should move away from copyright law and turn to laws such as unfair competition.

Dissemination

The dissemination stage of AI-generated outputs can generally be perceived by people. AI-generated images used only for private study have limited external impact. Once the same image is used for advertising, goods, platform recommendation, or e-commerce, it may influence consumers, inheritors, cultural institutions, and the real market of cultural products. Therefore, the user of AI should be taken as the duty subject and regulated at this stage.

When generated content enters market or institutional circulation and influences consumers, inheritors, or cultural institutions, the dissemination obligation of platforms may arise. Relevant triggering factors include authenticity statements, use of official intangible cultural heritage names, repeated complaints, paid promotion, and continued circulation after receiving reliable notice. Platforms that only store user content are different from platforms that perform ranking, recommendation, monetization, or repeatedly profit from misleading cultural products. After receiving notices of false cultural attribution, derogatory use, or repeated substitutive products, reasonable measures should be taken to prevent the expansion of infringement, and reasonable measures may include warning, labeling, suspension of service, and governance of repeated infringement.

Cases and Types

Relevant Cases

China has a large number of cases involving AI-generated works. These judgments do not directly define the nature of AI using WFAs, yet they offer reference value for the research of this paper. In the AI-generated image case, a user used Stable Diffusion to generate an image, and the defendant used that image and was sued in court (Beijing Internet Court, 2023). One of the most important focuses of dispute in this case is whether the image generated by the plaintiff using AI constitutes a work within the meaning of copyright law. The Beijing Internet Court held that not all AI outputs can be protected by copyright, they focused on referring to the proportion of human creative labor involved. If the natural person's prompts are very specific and clear, and the final work reflects the user's thoughts and should be protected. This case can be used for reference is that human selection and control should serve as the main reference for infringement in law. In WFA disputes, this rule helps to distinguish between passive generation and deliberate selection, then it can determine the specific attribution of responsibility.

AI users may claim rights in original generated works but will be subject to tort liability if the design duplicates protected works of folklore, involves misleading advertising or commercial appropriation of well-known heritage symbols.

The Ultraman AIGC platform case involved a platform that enabled online model training, image-to-image generation, model sharing, and picture posting (Hangzhou Internet Court, 2024; Hangzhou Intermediate People's Court, 2024). The court looks to the ability of the platform to foresee and prevent the repetitive creation of identifiable protected expressions. Nevertheless, the precedential value of this case is limited. A fictional character is an ordinary subject matter of copyright with a clearly identifiable rights holder and well-defined visual elements; WFA may involve public domain patterns, community symbols, or mixed cultural signs with unclear ownership. Platforms don't have to restrict all references to old-style. However, the platform's associated obligations may be heightened where the service consistently produces identifiable ethnic patterns, heritage designs or religious symbols, or produces images promoted as intangible cultural heritage products.

In the case of a commercial voice generating product that used the voice of a professional voice actor without sufficient consent (Beijing Internet Court, 2023). The value of this case is methodological: identifiability is a helpful criterion to evaluate whether AI output can be traced back to protected cultural sources. In the case of WFA, the relevant source may be a particular expression, an identified heritage item, a legacy bearer or a culturally recognisable community. But the analogy must be used with caution. A personal voice is a personal identity marker, while a folk style is not personality. Identifiability helps to determine whether the market presentation of an output points to a specific source, but it cannot create exclusive ownership over broad ethnic aesthetics.

False publicity for AI-generated products is different from the previous cases. If a seller promotes AI as intangible cultural heritage products, inheritor's handicrafts, or authorized cultural designs, it should provide supporting materials. The text or label was generated by a model does not mean that the responsibility for false attribution can be exempted. The legal risks involved include the images or patterns on the products, also in the raw data, advertising slogans, recommendation tags, etc., covering a relatively wide range.

These cases together show the importance of division of responsibility in the process of AI creation. Natural persons and platforms, as important participants in the process of AI creation, should bear corresponding responsibilities. Nevertheless, under the premise of preserving the public domain nature and the cultural interest characteristics of such works, appropriate guidance may be drawn from these cases. Another well-known set of litigations includes the Australian carpet lawsuit and related Aboriginal artwork cases. While ordinary copyright law can grant remedies when an individual artist's works are copied, it still fails to adequately safeguard community interests, ritual restrictions and traditional performances (Khaing, 2016).

Types of Use

The main types of AI-related use are summarized in Table 1.

Table 1: AI Uses, Legal Issues and Responsibilities

Type of AI-related use	Main legal question	Likely response
General traditional style, color, theme, or atmosphere	No specific expression or source claim is identifiable. The use remains ordinary cultural reference.	Presumptively free use.

Specific identifiable expression	Assess similarity, recognizability, use context, and commercial purpose. Copyright or special WFAs rules may apply.	Authorization, source indication, remuneration, cessation, or damages can be required, depending on protectability and use.
Sacred, taboo, or internal expression	The issue is cultural sensitivity and contextual misuse, even where ordinary copyright is uncertain.	Copyright law; public-interest and platform governance tools become important.
False heritage or source label	The output is marketed as intangible cultural heritage, an inheritor work, a handmade ethnic craft, or an authorized product.	False publicity, unfair competition, consumer protection, and platform duties are the main routes.
Large-scale low-cost substitutes	AI goods use cultural reputation to displace genuine inheritors or authorized cultural products.	Assess commercial benefit, consumer confusion, platform amplification, and market displacement.

Source: Author's own compilation.

The above classification can exclude content in the public domain, such as general traditional styles, from the scope of protection, while analyzing the necessity of protection by identifying the boundaries of the ordinary public domain. This table can be analyzed through a series of sequential questions, for instance: Does the output merely rely on generic stylistic elements? Does the output reproduce a specific expression? Does it involve sacred or internally restricted content? Has a claim of origin been made? Does the use unreasonably affect the potential market of heritage bearers? Answering the above questions can better improve the protection of WFA.

When analyzing the legal basis, it is necessary to determine the form of the data referenced by AI-generated content and the nature of such data. Furthermore, the judgment on the data shall be made from the perspective of the relevant public, such as residents of the cultural origin or the involved artists. Even if certain patterns or craft designs lack renown, their cultural origins remain identifiable, which may also serve as grounds for legal protection. The court may look at source materials, expert testimony, prompt records, the selected degree of resemblance and the manifestation of the AI-generated work. There being a considerable similarity between the generated work and a copyrighted work, a judgment can be made under the broad principles of copyright law. If the output generated by the AI is not the use of a copyrighted work but has a clear cultural reference, then it may be more suitable to pursue remedies through source attribution responsibilities or protection legislation, rather than simply imposing complete copyright infringement liability. For sacred, taboo, or internal-use expressions, even if copyright law cannot protect them, there will still be stronger needs for cultural governance. Simple misuse may be addressed by labeling or removal measures, repeated commercial exploitation may be subject to account restriction or downranking, and conduct violating public cultural management rules may need to be referred to relevant administrative authorities.

False publicity or misuse of source labels is the most easily identified and dealt-with type in AI-related WFA disputes. Specific situations include claiming that AI-generated content is handmade, originates from a specific community, is certified by cultural authorities, is made by a specific inheritor, or is an official intangible cultural heritage project. Its illegal nature lies in deceiving consumers and improper use of others' reputation; therefore, it can be regulated by consumer protection law, anti-unfair competition law, and other administrative measures. Large-scale substitutive behavior is more complex to deal with, because substitution may occur without confusion and without copying any specific work. The law cannot prohibit market competition merely because AI products are cheaper, faster, or easier to access than products made by inheritors. Only when the substitutive behavior includes false publicity, platform dissemination, or stealing protected heritage reputation, can relevant remedies be applied. Relevant evidence can include sales channels, keyword tags, and whether there is licensing or benefit-sharing situation.

Liability and Legal Pathways

Copyright Infringement

Copyright protection only applies to the situation where AI-generated outputs copy or adapt identifiable folklore expressions that are still legally protected. The purpose of this form of protection is not to safeguard an abstract cultural atmosphere. Instead, it addresses situations in which AI-generated outputs reproduce identifiable expressions, such as the arrangement of folk patterns, the narrative structure of folklore, the musical expression of folk songs, or protected performance recordings. Rather than merely drawing from ideas such as style. It requires the court to make necessary determinations in the process of adjudication. Initially it should be clarified whether the protected work's nature whether it is a work within the meaning of copyright law. If it has exceeded the protection period and does not meet the requirements, then it should be determined whether this type of work is WFA. After that, the court needs to determine whether the author, assignee, collective management organization, inheritance institution, or other claimants who can assert rights in accordance with the law are qualified subjects. If the object claimed by the claimant is not a specific expression, then the protected object must be clearly defined, and it cannot be extended to the entire traditional culture.

The copyright infringement requires access and substantial similarity at the same time. Therefore, in the determination of infringement, the court should consider the access to the original work in the production process, the similarity of the works, the use behavior, and so on. Access can be inferred from source materials like datasets, image-to-image inputs, prompt records, and so on, but if only be a reference to ideas is not sufficient. Substantial similarity should examine whether the protected composition, sequence, unique arrangement of patterns, or other expressive choices are similar.

Evidence may include source files, prompt history, editing logs, and authorization records. When defending, the defendant may claim fair use or other legal exceptions, or the absence of protectable expression. The attribution of responsibility should also be considered on case-by-case. If a seller copies the pattern, prints it on goods, and sells them, it should be directly responsible for such development conduct. The application provider should be responsible for using identifiable expressions on image-to-image function, template library, or presets. If the model developer controls the relevant dataset or model design, and after receiving specific notice fails to respond to the repeatedly generates the same protected WFA, it should bear

responsibility. Remedies include cease infringement, delete the infringing outputs, damages, correction, and platform removal. In short, copyright cannot monopolize the idea of folk traditions.

The Special WFA Regime

Establishing a WFA protection regulation can regulate the use of WFA by AI. This approach applies to the situations that expression has cultural identifiability, but uncertainty regarding authorship, ownership, or the term of protection. Treating such materials as private property will lead to excessive expansion of rights and squeeze the public domain. If not regulated, it will lead to the proliferation of false source declarations, derogatory modifications, and commercial use without compensation. Article 6 of the Copyright Law in China provides that the measures for copyright protection of WFA shall be separately formulated by the State Council. This provision leaves room for WFA protection regulation. The WFA protection regulation needs to clarify the protected object, the content of rights, limitations on rights, the obligation of source indication, rules on benefit-sharing, and remedies against distortion or false cultural attribution.

The provision of this system regarding traditional culture are narrower than those under the the Intangible Cultural Heritage Law of the People's Republic of China, but broader than copyright law. In specific cases, the claimant needs to clarify the expression is cultural identifiability, is connected to an ethnic group, heritage item, or transmission practice, and is used in an unreasonable manner. When the remedial procedure is related to the interests of the public domain, a higher burden of proof should be set to prevent encroachment on public interests. When the remedy is only correct the wrong indicate the source of goods, the evidentiary requirements may be lighter.

Civil remedies typically apply the principle of compensation for actual loss. Failure to indicate the source may require attribution and correction False authorization may require cessation of infringement, damages and consumer-facing correction Distortion and tampering with culturally identifiable expressions may justify injunctions to cease infringement and a formal apology Commercial exploitation of protected heritage materials may require licensing arrangements, reasonable remuneration or benefit-sharing mechanisms The balance of interests remains important. A special regime for WFA cannot create perpetual private copyright over all traditional culture and should leave sufficient room for fair use. General study, citation, education, artistic reference and ordinary cultural re-creation shall still be permitted.

Anti-Unfair Competition and Consumer Protection

Many disputes over WFA involving AI are essentially closer to cases of false attribution rather than copyright disputes. A large number of AI-generated outputs do not directly reproduce specific works; the problem lies in false advertising. For example, merchants falsely claim AI-generated products are intangible cultural heritage items, works crafted by inheritors, officially licensed cultural commodities, or goods made with traditional craftsmanship. The core of such disputes lies in false presentation of origin, free-riding, and consumer confusion. Right holder or regulators need to identify the specific manifestations and illustrate that such conduct is likely to cause confusion and misrecognition among consumers, thereby securing improper gains. The evidence could be the product titles, advertising copy, packaging, customer reviews, and/or the fact that the merchant did not correct the claim after being given notice. In the case

of false statements about the source, the applicant is not necessarily required to have exclusive proprietary rights over the WFA.

The liability of sellers, advertisers, live-streaming operators, and distributors is the clearest. When AI-generated products are sold as cultural goods made by heritage inheritors, sellers shall verify such representations prior to sale, retain authorization or certification records, and make corrections or deletions promptly upon receiving notice. Distributors that supply such goods to retailers need to verify whether the heritage labels they reuse in catalogs, packaging, or online listings have a basis. Advertising agencies and content operators usually cannot merely rely on AI-generated descriptions of the source, certification, or handmade nature, and should conduct prior investigation. In short, AI generation cannot provide a defense for false commercial statements.

Platform liability should be considered on a case-by-case basis. If the platform only provides a neutral platform for product listings, it does not need to review the cultural background of each product. But when the platform provides heritage categories, recommends controversial goods, sells advertising slots, or continues to profit after repeated complaints, it should bear liability for infringement. If received a complaint, the platform should take appropriate measures to reduce the negative impact, include reviewing disputed listings, correcting misleading labels, and preserving complaint records. This approach is more inclined toward damages for unfair competition, and the main purpose is to maintain a proper order of trade.

Platform Governance and Evidence-Based Remedies

The dissemination also plays a very important role on determination of infringement of AI-generated works. WFA-related products generated by AI usually attract consumers by online stores, advertisements, and cultural product categories. If the platform profits through sorting, recommendation, monetization, or allowing the same merchant to repeat operations after notification, then the platform should be responsible for these. The platform should filter keywords in the content it displays. Identifiable keywords include the official heritage names, inheritor identities. Although the platform's automatic filtering can solve some problems, events involving sacred meaning, false attribution of source, derogatory modification, and legal cultural re-creation require manual assessment and contextual analysis.

Once the above situations occur, the platform should bear more responsibility. The platform should record the dispute process, require sellers to provide authorization or certification records, correct misleading labels, delete false labels, and provide users with complaint channels. If the platform provides prompt templates, product categories, or advertising copy, it should modify or delete the relevant elements. In WFA cases claimants usually cannot access training records, recommendation data, or advertising settings on the seller side. If the claimant can prove that the disputed content related to the protected WFA, the court may require the platform to preserve and disclose relevant information in a targeted manner. Similarly, the platform should also require the seller to explain the true source, authorization records, or improvement measures taken.

Conclusion

Under the current legal framework, the protection of WFA in generative AI context should remain limited and cautious. Excessive protection may restrict cultural dissemination, lawful

re-creation, and the ordinary use in the public domain. General ideas, styles and cultural elements should not be monopolized. At the same time, generative AI may create new risks through the large-scale use of WFA, false attribution of cultural origins, derogatory modification, and misleading commercial use. Therefore, a stage-based regulatory framework is necessary. At the training stage, attention should be paid to the legality of data sources, culturally sensitive materials, documentation, and reasonable output control. At the output stage, general stylistic reference should be distinguished from identifiable expressions, culturally sensitive materials, and false claims of origin. At the dissemination stage, the law should further examine commercial presentation, consumer confusion, and the role of platforms.

Therefore, the legal regulation of generative AI uses of WFA should not rely only on copyright law. Copyright law may apply where a specific protected expression is adapted. Where cultural expressions can be identified but authorship, ownership, or the term of protection remains uncertain, future WFA protection regulations may provide rules on source attribution, derogatory modification, and benefit-sharing. Where AI-generated products are falsely presented as intangible cultural heritage products, works made by inheritors, or officially authorized cultural goods, anti-unfair competition law and consumer protection law may provide more appropriate legal remedies. Through this division of legal rules and responsibilities, the stage-based framework can respond to the harm caused by generative AI while leaving sufficient room for the lawful use and re-creation of traditional culture.

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