



Comments of the Confederation of Industry of the Czech Republic on the 3rd Draft of the Code of Practice GPAI

The Confederation of Industry firmly believes that the Code represents an opportunity to develop a clear path for effective compliance with the AI Act, an objective that we share with co-legislators. Equally important, the Code should contribute to the EU's overall goals of increasing competitiveness and simplifying the current regulatory framework. We welcome that the third draft of the Code of Practice acknowledges this and in doing so, also reflects comments made by EVP Henna Virkunen. We welcome the changes introduced in the third draft, which bring the Code closer to alignment with the AI Act itself and address some of the essential ways in which the previous drafts worryingly went beyond its scope. The extent of these revisions indicates a positive shift towards aligning AI regulation with these strategic objectives

While this is a crucial step, the third draft still retains provisions, that go beyond and threaten to undermine the overall objectives of the Act, in terms of ensuring AI safety, but also the EU's competitiveness and simplification agenda more broadly. As such, we continue to be concerned about the impact of the current version on AI uptake in Europe, and the opportunity for European business and citizens to safely tap into the wider economic and society benefits offered by the technology. This requires a Code that is not only aligned with the AI Act's principles and values, including the protection of fundamental rights but also practically implementable for providers, encouraging their adherence and facilitating responsible innovation.

The ultimate goal should be a Code that aligns with the AI Act spirit and text, providing a practical and implementable framework for providers. Addressing the remaining issues identified below can help ensure this:

- Overly complicated and prescriptive copyright and transparency provisions, which go beyond and/or are at odds with the scope of the AI Act and the EU Copyright Directive and could undermine the protection of trade secrets
- Specifically, on training data:
 - The draft should also better consider the technological reality of training data acquisition, including the relationship between content hosting and copyright, and the fact that data scraping directly by model developers is not the primary source of training data.
- Also, regarding data training, the aim should be not to train using materials taken from piracy domains, rather than not to crawl those domains per se, as it is often less resource/time consuming to crawl and then curate before training.
- High compliance burden due to excessive and impractical risk assessment and reporting obligations

- Measure 1.2.3 (2) is very problematic from a technical standpoint and should be deleted. There can be many interpretations of what an “appropriate manner” for expressing a reservation of rights is, therefore it would lead to a multiplication of ways to signal opt-outs. This would undoubtedly turn the identification of rights reservation into a very burdensome exercise.

Therefore, the Confederation of Industry of the Czech Republic calls for further revision of the 3rd draft of the Code of Practice for GPAI to address the aforementioned shortcomings and ensure the creation of a truly functional and effective tool for supporting the development and deployment of artificial intelligence in the EU by the AI Act.