IN THE SPOTLIGHT

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INTRODUCTION

→ ***In the Spotlight*** materials are initially presented at an X12 corporate meeting,

→ Subsequently, they are posted in the Info Center

→ Each presentation covers one topic

→ These "quick hits" highlight new features and functions or remind the audience of things they may have forgotten over time

→ X12 welcomes suggestions for **Spotlight** topics, use X12's online feedback form to tell us what you want to hear more about

IN THE SPOTLIGHT

ARTIFICIAL INTELLIGENCE & X12'S IP

→ X12 depends on strong intellectual property ("IP") and contractual protections for the integrity of X12 standards and the value they provide to the industries served

→ X12 updated its licenses in 2025 to expressly allow certain AI use cases that benefit licensing partners without undermining X12's critical IP protections

→ X12 supports expressly authorized uses of AI with the X12 Standard that benefit the X12 Standard ecosystem

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AI BASICS

→ Artificial Intelligence:

"Machine-based systems that are designed to operate with varying levels of autonomy, and that can, for a given set of objectives, infer, from the input received, how to generate predictions, recommendations, data, content or decisions that influence physical or virtual environments. Artificial Intelligence Technology as used in this Agreement includes, but is not limited to, large language models, generative AI systems, or any derivative technologies and applications, both as they exist as of the Effective Date and as they may evolve or be created in the future." (X12 Commercial Use License)

→ **Examples:** ChatGPT, Claude, Mistral, Grok (and underlying LLMs)

→ **Deployments:** Public v. Enterprise

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AI & IP
IN THE NEWS
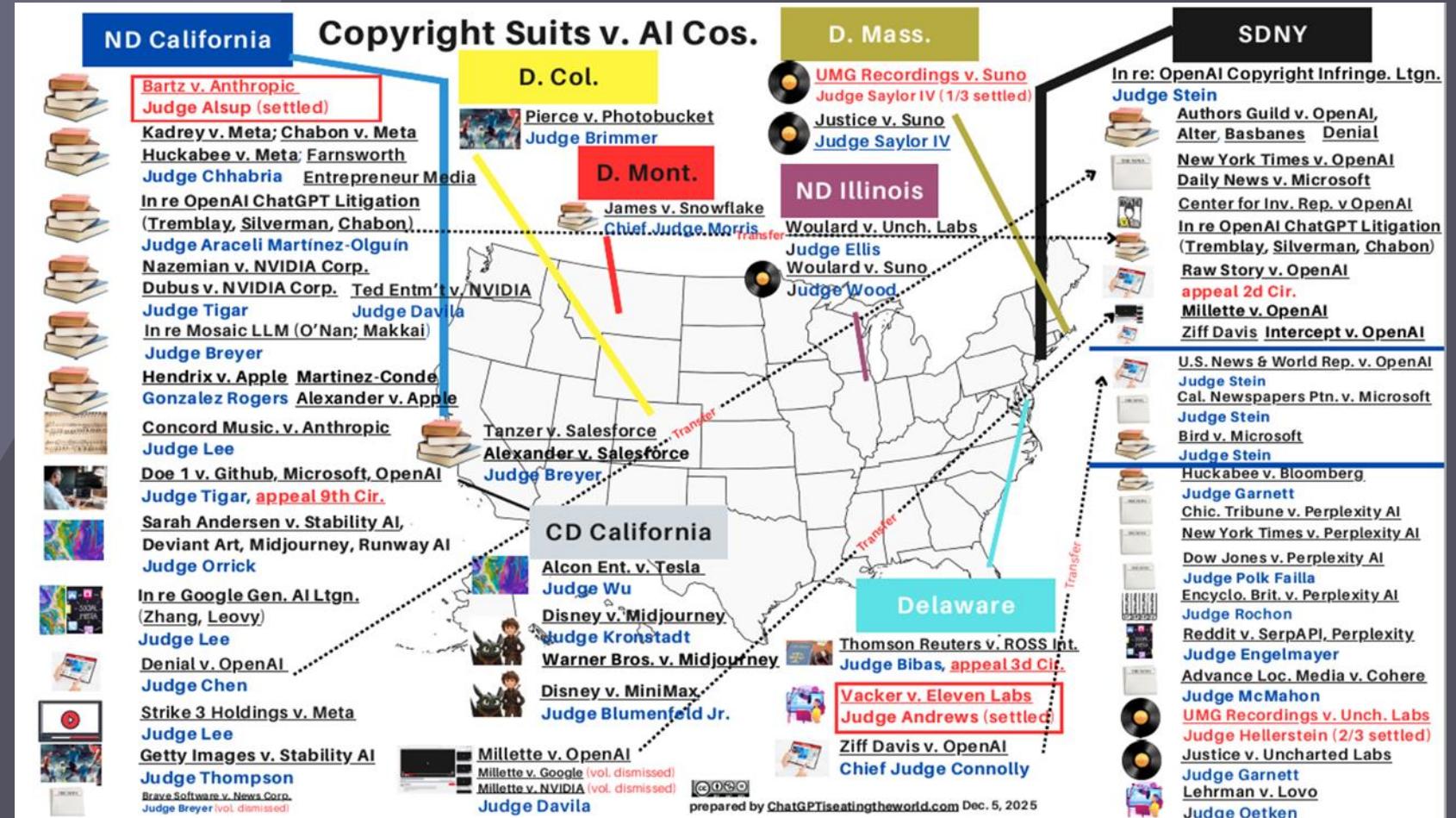
Copyright Suits v. AI Cos. — prepared by ChatGPTiseatingtheworld.com Dec. 5, 2025

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KEY "IP" INTELLECTUAL PROPERTY

→ Intellectual Property: Patents, **copyrights**, trade secrets, trademarks, etc.

→ Copyright:

Protects original works of authorship (compilations of data, instruction manuals, diagrams, source code)

Owner has exclusive right to license reproduction, distribution, derivative use, etc. of protected content

X12 owns the copyrights to the X12 Standard and related materials

X12 has dozens of registered copyrights that strengthen its enforcement rights, if needed

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KEY "IP" INTELLECTUAL PROPERTY

→ Copyright Infringement:

Subject to certain defenses, "[a]nyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright." 17 U.S.C. § 501(a).

→ Remedies for Infringement:

Statutory damages (up to $150,000 per infringed work)

Actual damages and disgorgement of profits

Attorneys' fees

Destruction of infringing materials (potentially including AI models trained on copyrighted works)

Injunctive relief to restrain further infringement

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X12'S UPDATED LICENSES PROVIDE CLARITY ON AI USES

X12 Licensing Options

X12 offers a multi-tier licensing program to support X12 users, developers, and organizations. X12 is committed to enabling its Partners to focus on competing successfully within the industries they serve by ensuring they and their customers have timely access to new versions and supporting documentation.

Commercial Use License

X12's work is used extensively across many industries to benefit organizations of all types and sizes. If your organization intends to use X12's work - the content of its standards, guides, or codes - in a solution to license to your customer, a third party - then your use of X12's work is considered commercial. As such, in order to embed the X12 content in your offering for use in a production environment, you'll need to become an X12 Commercial Use Licensing Partner.

Internal Use License

X12's work is used extensively across many industries to benefit organizations of all types and sizes. If your organization intends to use X12's work - the content of its standards, guides, or codes - internally to build or use with, then your use of X12's work is considered internal. As such, in order to embed the X12 content in your solution and use the content for reference in a production environment, you'll need to become an X12 Internal Use Licensing Partner.

Developer License

For entities or people that are building or implementing solutions to handle X12 transactions or codes, a Developer License presents them with access to all of X12's downloadable or online-viewable work for development-only use. Individuals, organizations and other entities that use X12's work for software development or other non-production activities, with the expectations that they will transition to a Commercial or Internal Use license once in production; this license does not cover any production-use of X12's content.

Glass User

A Glass premium subscription provides you with a user license and permits access to view X12's work for reference online in a browser.

Code List Update Subscription

X12 maintains several code lists that are external to the X12 Standard and implementation guides, though they are referenced in X12's work. This subscription service provides you with the latest updates.

Free X12 User Account

As a registered user you gain access to Glass - X12's online viewer - and the non-premium, free resources available. Upgrade to a paid license for full-access.

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KEY AI GUARDRAILS IN X12 LICENSES

→ X12 Standards can only be used in a private instance of an AI model accessible to the licensee

→ X12 Standards cannot EVER be used in public deployments of AI services like ChatGPT

→ X12 Standards can only be used for certain permitted uses under the applicable license type

→ X12 Standards cannot be used with AI for creating substitutes for the X12 Standard

→ If the AI use is not expressly allowed, then the licensee must ask X12 for customized permission, which X12 may decline to give

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KEY AI TERMS

Commercial Use License

→ Permitted:

(1) Grounding private instance of an AI model to develop and operate value-added software solution that is licensed to end users

(2) Back-end operation of UI allowing customers to query licensee's AI-enabled software solution

→ Prohibited:

(1) Training a model (even a private instance of an AI model)

(2) Extraction of X12 standard from AI-enabled user interface for use separate from commercial partner's software solution

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KEY AI TERMS

Internal Use License

→ Permitted:

(1) Grounding private instance of an AI model to develop and operate an internal value-added software solution

(2) Training private instance of an AI model to develop and operate an internal value-added software solution

(3) Back-end operation of user interface allowing internal users to query licensee's AI-enabled software solution

→ Prohibited:
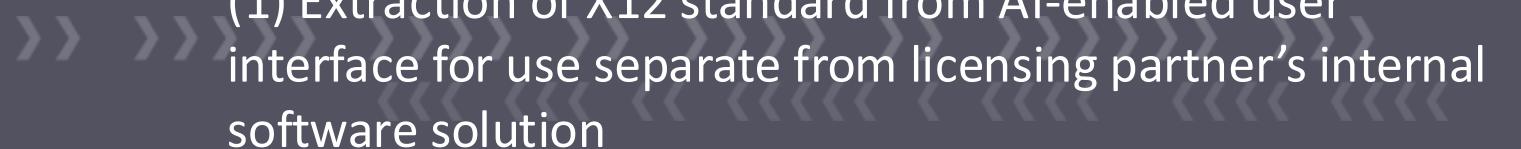
(1) Extraction of X12 standard from AI-enabled user interface for use separate from licensing partner's internal software solution

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KEY AI TERMS

Developer License

→   Permitted:

(1) Grounding private instance of an AI model to develop and operate an internal, value-added software solution

(2) Back-end operation of user interface allowing permitted users to query licensee's AI-enabled software solution

→   Prohibited:

(1) Training a model (even a private instance of an AI model)

(2) Extraction of X12 standard from AI-enabled user interface for use separate from licensee's software solution

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KEY AI TERMS

Individual License

→ Permitted:

(1) Use of X12 only in conjunction with a commercial licensee's AI-enabled software solution

→ Prohibited:

(1) Training (even a private instance of an AI model)

(2) Grounding (even a private instance of an AI model)

(3) Extraction of X12 standard from AI-enabled user interface for use separate from commercial licensing partner's software solution
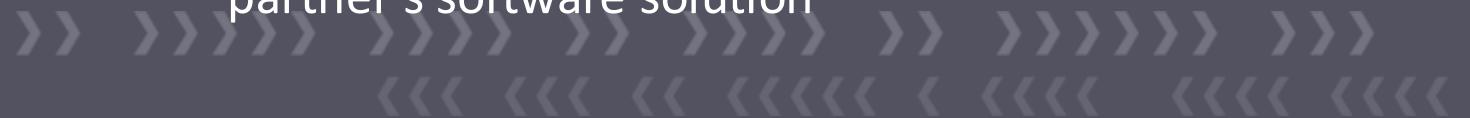
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KEY AI TERMS

Glass License

→ Permitted:

(1) No permitted use with third-party AI; users can only access and display X12 materials for internal business use via Glass

→ Prohibited:

(1) Any use with AI (no training, grounding, prompting, etc.)

(2) Extraction of X12 standard from Glass (by printing, download, scraping, etc. – unless user has a separate, more robust, license agreement)

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AI USE CASES

→ X12's clear authorization to use X12 Standards with AI is a win-win-win for X12, partners, and end users

→ Use Case 1: using AI to build trading partner-specific maps; licensing partners can use AI to allow their customers to build/update maps in order to onboard additional trading partners faster

→ Use Case 2: using AI for real-time monitoring of trend shifts which could trigger alerts for inventory or order changes

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SUMMARY

→ X12 depends on strong IP and contractual protections for the integrity of X12 standards and the value they provide to the industries served

→ X12 updated its X12 licenses to expressly allow certain types of AI use cases that benefit licensing partners without undermining X12's critical IP protections

→ It's not permissible to put any X12 content into public deployments of AI models

→ Send us feedback and questions https://x12.org/feedback

FEEDBACK
IDEAS
QUESTIONS?

WE WANT TO HEAR IT

X12.ORG/FEEDBACK

STAY CONNECTED

→ Learn more about X12 at X12.org

→ Stay informed by following X12

𝕏 *@x12standards*

in *#X12 on LinkedIn*