



INTERNATIONAL LAW
JOURNAL

**WHITE BLACK
LEGAL LAW
JOURNAL**
**ISSN: 2581-
8503**

Peer - Reviewed & Refereed Journal

The Law Journal strives to provide a platform for discussion of International as well as National Developments in the Field of Law.

WWW.WHITEBLACKLEGAL.CO.IN

DISCLAIMER

No part of this publication may be reproduced, stored, transmitted, translated, or distributed in any form or by any means—whether electronic, mechanical, photocopying, recording, scanning, or otherwise—without the prior written permission of the Editor-in-Chief of *White Black Legal – The Law Journal*.

All copyrights in the articles published in this journal vest with *White Black Legal – The Law Journal*, unless otherwise expressly stated. Authors are solely responsible for the originality, authenticity, accuracy, and legality of the content submitted and published.

The views, opinions, interpretations, and conclusions expressed in the articles are exclusively those of the respective authors. They do not represent or reflect the views of the Editorial Board, Editors, Reviewers, Advisors, Publisher, or Management of *White Black Legal*.

While reasonable efforts are made to ensure academic quality and accuracy through editorial and peer-review processes, *White Black Legal* makes no representations or warranties, express or implied, regarding the completeness, accuracy, reliability, or suitability of the content published. The journal shall not be liable for any errors, omissions, inaccuracies, or consequences arising from the use, interpretation, or reliance upon the information contained in this publication.

The content published in this journal is intended solely for academic and informational purposes and shall not be construed as legal advice, professional advice, or legal opinion. *White Black Legal* expressly disclaims all liability for any loss, damage, claim, or legal consequence arising directly or indirectly from the use of any material published herein.

ABOUT WHITE BLACK LEGAL

White Black Legal – The Law Journal is an open-access, peer-reviewed, and refereed legal journal established to provide a scholarly platform for the examination and discussion of contemporary legal issues. The journal is dedicated to encouraging rigorous legal research, critical analysis, and informed academic discourse across diverse fields of law.

The journal invites contributions from law students, researchers, academicians, legal practitioners, and policy scholars. By facilitating engagement between emerging scholars and experienced legal professionals, *White Black Legal* seeks to bridge theoretical legal research with practical, institutional, and societal perspectives.

In a rapidly evolving social, economic, and technological environment, the journal endeavours to examine the changing role of law and its impact on governance, justice systems, and society. *White Black Legal* remains committed to academic integrity, ethical research practices, and the dissemination of accessible legal scholarship to a global readership.

AIM & SCOPE

The aim of *White Black Legal – The Law Journal* is to promote excellence in legal research and to provide a credible academic forum for the analysis, discussion, and advancement of contemporary legal issues. The journal encourages original, analytical, and well-researched contributions that add substantive value to legal scholarship.

The journal publishes scholarly works examining doctrinal, theoretical, empirical, and interdisciplinary perspectives of law. Submissions are welcomed from academicians, legal professionals, researchers, scholars, and students who demonstrate intellectual rigour, analytical clarity, and relevance to current legal and policy developments.

The scope of the journal includes, but is not limited to:

- Constitutional and Administrative Law
- Criminal Law and Criminal Justice
- Corporate, Commercial, and Business Laws
- Intellectual Property and Technology Law
- International Law and Human Rights
- Environmental and Sustainable Development Law
- Cyber Law, Artificial Intelligence, and Emerging Technologies
- Family Law, Labour Law, and Social Justice Studies

The journal accepts original research articles, case comments, legislative and policy analyses, book reviews, and interdisciplinary studies addressing legal issues at national and international levels. All submissions are subject to a rigorous double-blind peer-review process to ensure academic quality, originality, and relevance.

Through its publications, *White Black Legal – The Law Journal* seeks to foster critical legal thinking and contribute to the development of law as an instrument of justice, governance, and social progress, while expressly disclaiming responsibility for the application or misuse of published content.

ONE LICENCE, INVISIBLE AUTHORS? COPYRIGHT ROYALTY DISTRIBUTION UNDER INDIA'S PROPOSED AI-TRAINING REGIME

AUTHORED BY - DHRUV GANDHI

Abstract

India's emerging debate on generative artificial intelligence and copyright has largely concentrated on whether training requires permission and whether creators should receive compensation. A less examined question is how compensation reaches individual creators after it enters a central royalty pool. The Department for Promotion of Industry and Internal Trade's proposed blanket-licensing framework makes this question particularly urgent. Simplifying access for developers does not necessarily produce equitable payment for authors.

This paper examines the distributional consequences of replacing individual permission with a centrally administered remuneration right. Through doctrinal analysis of the Copyright Act 1957 and a limited comparison with the European Union's AI-training transparency requirements, it identifies three risks: dependence on developer-controlled training records, exclusion through registration-based payment systems, and concentration of receipts among established rights holders. It argues that a training-data summary adequate for public transparency may remain inadequate for allocating royalties.

The paper proposes a two-tier accountability framework combining public dataset summaries with confidential, auditable provenance records. It also recommends accessible claims procedures, protection for unclaimed royalties, representative collective governance, and a carefully delimited author remuneration entitlement. The central argument is that a blanket licence must be accompanied by a corresponding duty to preserve distribution-relevant evidence. Without that duty, India could create an efficient mechanism for purchasing access while leaving the creators whose works finance the system economically invisible.

Keywords: Copyright, generative artificial intelligence, AI training, collective licensing, royalty distribution and data provenance.

I. Introduction

The copyright controversy surrounding generative artificial intelligence usually begins with a permission question: may developers reproduce protected works to train their models? India's recent policy discussion adds a payment question. DPIIT's Working Paper on Generative AI and Copyright proposes a hybrid model allowing developers to use lawfully accessed protected content under a blanket licence, with royalties payable upon commercialisation and administered through a central mechanism.¹

However, collecting money and compensating creators are different institutional tasks. A system may efficiently collect royalties from developers while distributing them through incomplete records, inaccessible claims procedures, or rules favouring large catalogues. The unresolved question is therefore not simply whether payment is required, but who can establish an entitlement to it.

Consider a hypothetical Hindi essayist whose work is included in a training collection alongside English-language newspaper archives. The developer pays the prescribed royalty. Yet the essayist does not know that the work was used, does not belong to a collecting organisation, and cannot locate it within a dataset summary. The payment system has operated, but the author remains unpaid.

This paper examines that distributional gap. Its argument is deliberately narrower than the general debate over AI authorship or fair dealing: if legislation replaces individual permission with collective remuneration, it must also preserve the evidence necessary to distribute that remuneration.

The paper uses doctrinal analysis and institutional comparison. It does not claim that the proposed regime is already law or that any distribution method can measure a work's exact contribution to model performance. Instead, it proposes minimum safeguards for identifying eligible claimants and allocating receipts transparently.

II. From Exclusive Rights to Collective Remuneration

The existing statutory starting point is reproduction. Section 14 of the Copyright Act 1957 includes electronic storage within the reproduction right for literary, dramatic and musical works, with corresponding provisions for other categories. Training arrangements involving downloads and retained copies therefore require analysis of the acts performed, applicable

¹ Department for Promotion of Industry and Internal Trade, *Working Paper on Generative AI and Copyright, Part I: One Nation One License One Payment—Balancing AI Innovation and Copyright* (2025); Press Information Bureau, 'DPIIT Publishes First Part of Working Paper on AI–Copyright Interface'

permissions and statutory exceptions. The claim that a model ultimately learns patterns does not, by itself, answer whether earlier copying was authorised.²

Section 52 contains specific exceptions, including fair dealing for identified purposes and certain forms of transient or incidental storage. These provisions should not be treated as an unrestricted commercial text-and-data-mining exception. Equally, it would be premature to declare every training operation infringing without examining its facts and the defence invoked.³

Existing compulsory and statutory licences are structured around particular circumstances or uses. Sections 31, 31A, 31B, 31C and 31D do not themselves establish a general licence for generative-AI training. A new blanket regime would therefore require a clear legislative foundation rather than administrative reliance on an existing licensing label.⁴

The DPIIT proposal would change the relationship between permission and remuneration. Its proposed central body, the Copyright Royalties Collective for AI Training, would collect payments and allocate them through participating rights-holder organisations. The proposed architecture includes developer training-data disclosures and work-registration mechanisms for royalty distribution.⁵

Such a framework can reduce negotiation costs. Nevertheless, it also shifts practical control. An individual rights holder's ability to negotiate access would be replaced, within the licence's scope, by a claim against a collective payment system.

That substitution requires justification beyond the promise that royalties will exist. The system must explain how a claimant becomes visible, how ownership is verified, how use is established, and how allocation decisions can be challenged. Otherwise, the administrative simplicity enjoyed by developers may be purchased through evidentiary burdens transferred to creators.

III. The Distributional Blind Spot

A. Copyright Owners Are Not Always Authors

An AI royalty scheme must distinguish the creator from the person presently owning the relevant right. Section 17 begins with author ownership but contains important exceptions. Assignments under sections 18 and 19 can further separate authorship from ownership.

² Copyright Act 1957, ss 14(a)(i), 14(c)(i), 14(d)(i) and 14(e)(i).

³ Copyright Act 1957, s 52(1)(a)-(c).

⁴ Copyright Act 1957, ss 31-31D.

⁵ Ikigai Law, 'Exploring the DPIIT's Working Paper on Generative AI and Copyright' (discussion of the proposed hybrid licensing model and CRCAT).

Payment to a publisher, employer or assignee therefore does not necessarily produce payment to the individual who created the work.⁶

This distinction matters when a policy is justified in the language of supporting creativity. If its operative provisions compensate only current owners, its benefits may legitimately reach owners but fail to fulfil the broader promise made to authors.

The solution is not to disregard valid assignments. It is to decide expressly whether the new regime creates an owner entitlement, an author entitlement, or both. That choice should appear in legislation rather than emerge accidentally from collective distribution rules.

B. Registration Can Become a Payment Barrier

A work database can assist ownership verification, prevent duplicate claims and simplify payment. Yet registration-based distribution may disadvantage creators who lack information, documentation or institutional connections.

The distinction between copyright subsistence and payment administration is crucial. The Berne Convention protects enjoyment and exercise of copyright against formalities within its applicable framework. This does not establish that every administrative step for collecting money is prohibited. It does, however, require careful scrutiny where failure to enter a database makes a statutory remuneration entitlement practically unusable.⁷

Registration should therefore facilitate payment, not become the only route to proving a claim. A creator should be able to submit publication records, contractual documents or other reliable evidence after learning of inclusion.

The same principle requires multilingual interfaces and offline assistance. These are proposed safeguards, not assumptions about the present accessibility of any particular collecting organisation. Their purpose is to prevent administrative design from deciding whose copyright has economic value.

C. A Summary Is Not an Allocation Ledger

The proposed training-data disclosure mechanism connects dataset reporting to royalty distribution. Available descriptions of the proposal indicate that collective receipts would be divided among classes of works according to disclosed use, followed by distribution under

⁶ Copyright Act 1957, ss 17-19.

⁷ Berne Convention for the Protection of Literary and Artistic Works (Paris Act, amended 28 September 1979), art 5(2).

participating organisations' policies.⁸

That connection creates a difficult evidentiary question. A summary identifying broad datasets may show that books, newspapers or images were used. It may not identify which protected works entered the training collection, whether duplicates were removed, or who owns the relevant rights.

Allocation can consequently rest on assumptions that creators cannot inspect. Counting files, pages or tokens may produce materially different results. None should be presented as an objective measure of creative value merely because it is computationally convenient.

The hypothetical essayist illustrates the problem. A dataset description such as "Indian-language web content" supplies general transparency but little assistance in proving an individual payment claim.

IV. What European Transparency Can and Cannot Teach India

Article 53 of the European Union AI Act separates copyright compliance from training-content transparency. Providers of general-purpose AI models must maintain a copyright-compliance policy and publish a sufficiently detailed summary of training content. Its specified open-source exemptions concern certain documentation obligations; they do not simply remove the copyright-policy and public-summary duties.⁹

This separation offers an important lesson: neither payment nor disclosure automatically establishes lawful copying. A provider may publish a summary while still facing questions about rights compliance.

However, the European provision should not be mistaken for a ready-made royalty-allocation system. A public summary serves transparency and oversight. A collective payment mechanism additionally needs evidence connecting works, uses and eligible claimants.

India should therefore adopt a two-tier approach.

First, public disclosures should identify major datasets, source categories, collection periods and broad classes of works. These disclosures should help creators recognise possible inclusion without exposing complete datasets.

Second, confidential records should preserve more granular provenance information for verification by an authorised auditor or adjudicator. Appropriate records could include source identifiers, acquisition dates, available licence information, dataset versions and deduplication

⁸ Ikigai Law, 'Exploring the DPIIT's Working Paper on Generative AI and Copyright' (discussion of the AI Training Data Disclosure Form, work databases and royalty distribution).

⁹ Regulation (EU) 2024/1689 laying down harmonised rules on artificial intelligence, art 53(1)(c)-(d), (2) and (7).

methods.

The distinction protects legitimate confidentiality while resisting a blanket claim of secrecy. Developers need not publish every commercially sensitive record to the world. They should nevertheless preserve enough information to justify allocations made from a statutory royalty pool.

V. A Distribution-First Legislative Model

A. Make Provenance a Condition of Licensing

The proposed licence should carry a prospective record-preservation obligation. Developers relying on it should maintain distribution-relevant records from collection through commercialisation.

The obligation should track what the developer can reasonably document. It should not demand proof of each work's precise causal contribution to a model's capabilities. Eligibility and use are more administrable questions than the economic influence of an individual sentence or image.

Nor should a training licence confer unrestricted authority over later uses. Copyright Act provisions on technological protection measures and rights-management information demonstrate that access, copying and treatment of identifying information involve distinct statutory questions. The new framework should expressly address how those provisions interact with licensed training.¹⁰

A developer's payment should not excuse failure to keep records. Where records are materially deficient, the administrator should be able to require corrective reporting and independent audit, subject to proportionate procedures and appeal.

B. Separate Eligibility from Valuation

The system should first determine whether a protected work was used within the licensed activity and who is entitled to claim. Only then should it determine the payment amount.

Combining these stages risks making an unclear valuation method a barrier to eligibility. A creator should not need to prove that a work improved model performance before establishing that it entered the relevant training collection.

Valuation rules should be published and periodically reviewed. Possible methods include work-category pools, deduplicated use measures and sampling where complete identification

¹⁰ Copyright Act 1957, ss 2(xa), 65A and 65B.

is disproportionate. Each method involves normative choices.

For example, allocation by volume can favour long works; allocation by catalogue size can favour large owners; allocation by asserted market value can favour established markets. The legislation should require explanation of these consequences instead of allowing technical metrics to conceal policy decisions.

C. Create a Delimited Author Remuneration Right

The Copyright Act already protects non-waivable royalty entitlements in specified circumstances involving literary and musical works incorporated into films and sound recordings. Those protections do not automatically establish an AI-training royalty right for every author. They nevertheless provide a statutory example of preserving author remuneration despite transfers of exploitation rights.¹¹

A future AI provision could create a defined author share that cannot be assigned away, while leaving the remaining owner entitlement intact. Its scope would need to specify eligible works, beneficiaries, contractual treatment and arrangements for heirs.

This is preferable to assuming that payment to a corporate rights holder inevitably supports authors. It also avoids the opposite error of ignoring ownership arrangements that financed production and publication.

D. Protect Unclaimed Royalties

Unclaimed money should not automatically become an additional payment to the largest registered catalogues. That approach would convert information failures into advantages for already visible claimants.

Instead, the administrator should maintain a separately accounted reserve, publish search and claim procedures, and permit later applications within a clearly defined period. Rules should address disputed ownership, duplicate claims and amounts too small for immediate individual payment.

Any eventual use of residual funds should be legislatively authorised and publicly reported. A collective should not determine the destination of unclaimed statutory entitlements solely through internal policy.

¹¹ Copyright Act 1957, ss 18(1), provisos concerning literary and musical works incorporated into cinematograph films and sound recordings, and 19(9)-(10).

E. Build Representative Governance

India's copyright-society provisions already address administration, member control, tariff schemes and reporting. They provide a starting point for governance safeguards, though an AI-wide collective would require rules adapted to its broader role.¹²

The proposed institution should include meaningful representation for individual authors, independent publishers and different work categories. Representation should not depend exclusively on catalogue size or receipts.

Annual reports should disclose collections, administrative deductions, allocation methods, reserves and complaint outcomes. External audits should examine distribution accuracy as well as financial accounts.

A specialised claims process should offer reasoned decisions and independent review. A claimant challenging an allocation should not need to begin expensive infringement litigation merely to obtain an explanation of collective accounting.

VI. Boundaries, Treaty Compatibility and Counterarguments

A. Training Permission Must Remain Purpose-Limited

The scope of any licence should distinguish training copies from later reproduction, communication or distribution. A training payment should not become a defence to every infringing output.

Section 51 governs infringement, while section 57 protects specified author interests independently of ownership. These provisions reinforce the need to avoid treating a training licence as comprehensive immunity. Whether a particular output infringes or violates an author's special rights remains a separate, fact-sensitive question.¹³

The proposal should also distinguish protected expression from unprotected material. Copyright payments should not attach merely because a dataset contains information.

B. Remuneration Does Not Settle Treaty Compliance

A compulsory remuneration framework must address international copyright obligations. Berne article 9(2) and TRIPS article 13 impose constraints on limitations affecting exclusive rights. Providing payment may bear on prejudice to rights holders, but it does not automatically

¹² Copyright Act 1957, ss 33-36.

¹³ Copyright Act 1957, ss 51 and 57.

establish compliance with every part of the applicable test.¹⁴

The legislature should therefore examine the defined activity, eligible users, commercial scope and effect on normal exploitation. A broad licence may require stronger justification than a narrowly bounded research exception.

This paper does not conclude that the proposal necessarily violates treaty obligations. It argues that administrative efficiency and royalty collection are not substitutes for that analysis.\

C. The Compliance-Cost Objection

The strongest practical objection is cost. Detailed records and audits can make training more expensive, particularly for small developers.

The answer should be proportionality, not complete exemption from accountability. Standard reporting formats, shared verification infrastructure and risk-based audits could reduce burdens. Smaller developers could receive simplified procedures while preserving basic source and dataset records.

Sampling may be appropriate where item-level identification is genuinely impracticable. However, its limits should be disclosed, and affected claimants should retain an opportunity to supply additional evidence.

D. The Creator-Autonomy Objection

Stakeholder criticism of the DPIIT proposal has also questioned compulsory participation and whether revenue-linked payment meaningfully compensates creators.¹⁵

Better distribution cannot fully answer the autonomy objection. An author may oppose training even where payment is accurate. The proposed safeguards therefore should not be presented as curing every concern about mandatory licensing.

Their narrower justification is conditional: if Parliament chooses a blanket regime, it should not combine reduced control over access with weak access to remuneration. Legislative review should assess both payment outcomes and the continuing necessity of compulsory participation.

¹⁴ Berne Convention, art 9(2); Agreement on Trade-Related Aspects of Intellectual Property Rights, art 13; World Trade Organization, WTO Analytical Index: TRIPS Agreement-Article 13.

¹⁵ Software Freedom Law Center, India, 'Comments on DPIIT Working Paper on Generative AI and Copyright-Part 1' (3 February 2026).

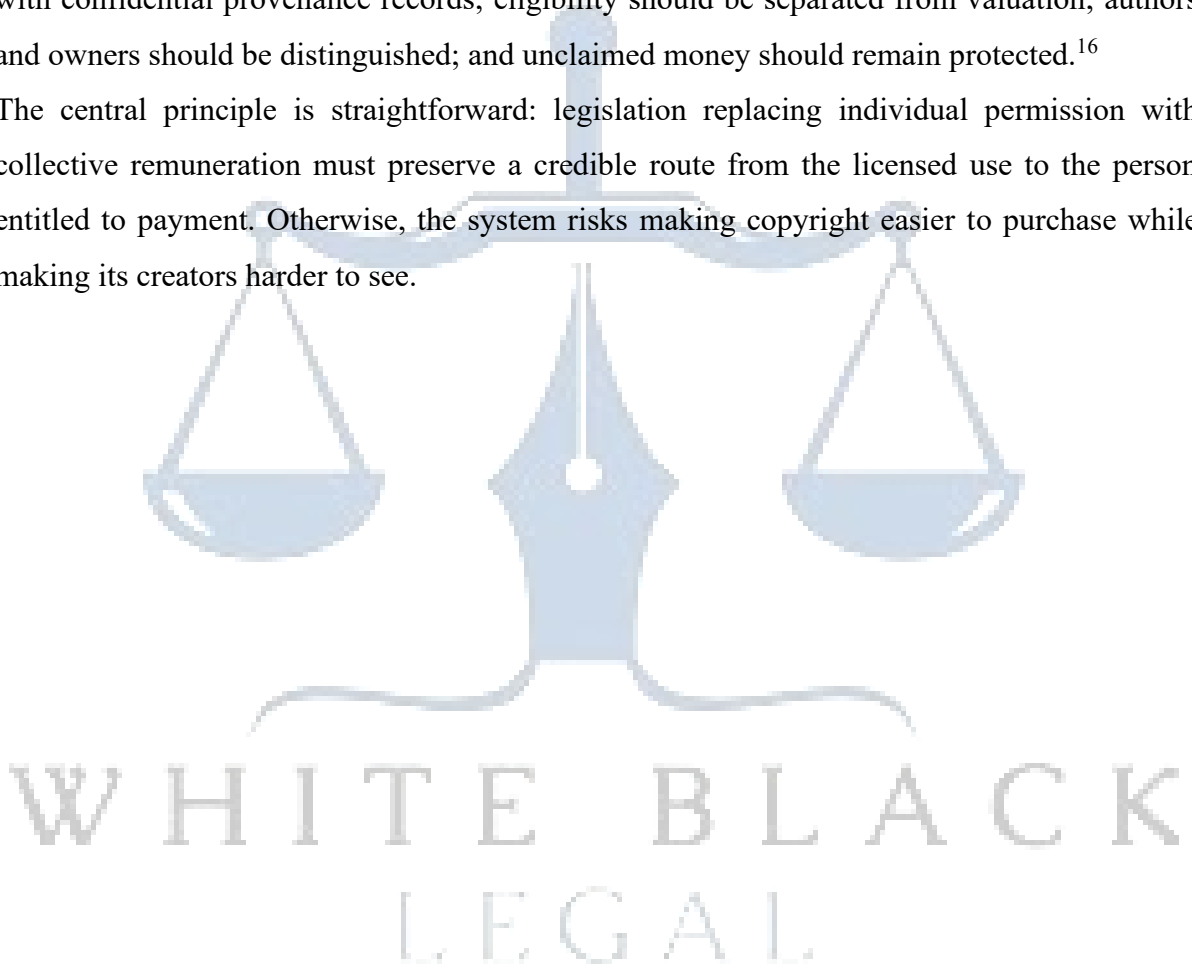
VII. Conclusion

India's proposed AI-training framework raises a question that copyright debate too often postpones: what happens after royalties are collected?

A central licence may simplify access, but it cannot fairly compensate creators without reliable evidence, accessible claims procedures and accountable distribution rules. Dataset summaries alone cannot perform every function required of a payment system.

The appropriate response is a distribution-first architecture. Public summaries should be paired with confidential provenance records; eligibility should be separated from valuation; authors and owners should be distinguished; and unclaimed money should remain protected.¹⁶

The central principle is straightforward: legislation replacing individual permission with collective remuneration must preserve a credible route from the licensed use to the person entitled to payment. Otherwise, the system risks making copyright easier to purchase while making its creators harder to see.



¹⁶ Ikigai Law (n 8).