



Streaming Platforms and Copyright Law in India: A Critical Analysis of Licensing, Royalty Distribution and Digital Music Rights¹²

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Abstract

*The rapid expansion of music streaming platforms has fundamentally transformed the manner in which music is created, distributed, licensed and consumed in India. Platforms such as Spotify, YouTube Music, JioSaavn, Gaana and Apple Music have made millions of sound recordings accessible through subscription-based and advertisement-supported models. While streaming has created new commercial opportunities for copyright owners and artists, it has simultaneously generated complex legal questions concerning licensing, ownership, royalty distribution, digital reproduction, communication to the public and the rights of authors, composers, performers and music labels. The Copyright Act, 1957, particularly after the Copyright (Amendment) Act, 2012, provides an important framework for addressing these issues. However, the statutory framework was substantially developed around traditional forms of broadcasting and exploitation, creating interpretative difficulties in relation to interactive Internet-based streaming. The decision in *Tips Industries Ltd. v. Wynk Music Ltd.* is particularly significant because the Bombay High Court examined whether online music services could invoke the statutory licensing mechanism under Section 31-D. This paper critically analyses the relationship between Indian copyright law and streaming platforms, examines licensing and royalty mechanisms, evaluates the rights of different stakeholders, and identifies regulatory challenges arising from the digital music economy. It argues that although Indian copyright law provides substantial protection to rights holders, greater transparency in licensing, royalty accounting, platform reporting and collective rights management is required to ensure an equitable digital music ecosystem.*

Keywords: Copyright, music streaming, digital music, licensing, royalties, sound recordings, Section 31-D, Copyright Act, 1957, digital rights.

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I. Introduction

The music industry has undergone a fundamental transformation with the emergence of digital streaming. Earlier, music was primarily consumed through physical formats such as vinyl records, cassettes and compact discs. Digital downloads subsequently altered the market, but streaming has produced an even more significant transformation by shifting music consumption from ownership to access. Users increasingly pay for subscriptions or access advertising-supported platforms rather than purchasing individual recordings.

The global importance of streaming is reflected in the contemporary recorded music industry. According to the International Federation of the Phonographic Industry (IFPI), global recorded music revenues reached US\$31.7 billion in 2025, with paid streaming continuing to be a major driver of industry growth. This transformation has also affected India, where affordable Internet access, smartphones and digital payment systems have contributed to the rapid expansion of online music consumption.

Streaming, however, is not merely a technological development. It represents a complex system of copyright exploitation involving composers, lyricists, performers, producers, music labels, publishers, collecting societies and digital platforms. A single song may involve several independent copyright and related rights.

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Consequently, a streaming platform cannot generally treat a song as a single undifferentiated commodity. Different rights may have to be acquired from different right holders.

The central legal question is therefore how traditional copyright principles apply when a sound recording is made available to users through an Internet platform. Issues arise regarding reproduction, communication to the public, licensing, downloading, temporary storage, royalty payments and intermediary responsibility.

The Indian Copyright Act, 1957 provides the basic legal framework. The Copyright (Amendment) Act, 2012 was particularly important in adapting Indian copyright law to the digital environment and strengthening the position of authors, composers and performers. The Copyright Office itself identifies the 2012 amendment as the most substantial amendment and notes its relationship with the WIPO Internet Treaties and the protection of the music and film industries.

This paper examines whether the existing legal framework adequately addresses the contemporary streaming economy and whether further reforms are necessary to achieve a fair balance between copyright protection, technological innovation, platform interests and public access.

II. Nature of Copyright in Digital Music

A streamed song may incorporate multiple layers of intellectual property rights. The underlying musical composition is distinct from the lyrics, the performance and the final sound recording. The producer of a sound recording may own copyright in the recording, while the composer and lyricist retain rights in the underlying musical and literary works. Performers also enjoy statutory rights under the Copyright Act.

The Act identifies the producer as the first owner of copyright in a sound recording, subject to the statutory provisions governing ownership. This structure is commercially important because streaming platforms ordinarily require licences covering the relevant rights before making music available.

The copyright owner in a sound recording enjoys exclusive rights under the Act, including rights relating to reproduction, issuing copies and communication to the public. In a digital environment, these rights become particularly significant because streaming involves technological processes that may involve digital copies, server storage, caching or other forms of reproduction.

The distinction between ownership and licensing is therefore fundamental. A streaming service generally does not become the owner of the underlying copyright merely because it has obtained access to the repertoire. Instead, the platform receives contractual permission to exploit specified rights under defined conditions.

III. Licensing of Music by Streaming Platforms

Licensing is the principal legal mechanism through which streaming platforms obtain lawful access to music catalogues. A platform may enter into agreements with record labels, music publishers, individual right holders or copyright societies.

Section 18 of the Copyright Act permits assignment of copyright, while Section 19 prescribes requirements concerning assignments. Importantly, an assignment must be in writing and identify the work, rights assigned, duration and territorial extent. The section also requires specification of royalty and other consideration payable to the author or legal heirs during the currency of the assignment.

In the streaming environment, however, licensing rather than outright assignment is generally more appropriate. A licence can specify the territories in which music may be offered, the duration of the agreement, permitted modes of exploitation, royalty rates, reporting requirements and restrictions on downloads.

Three broad forms of exploitation are particularly relevant.

1. First, **subscription streaming** allows users to access a catalogue by paying a recurring fee. The user normally does not obtain ownership of the sound recording. Instead, the subscription provides contractual access.
2. Second, **advertisement-supported streaming** allows users to access music without paying a direct subscription fee, while platforms generate revenue through advertising.
3. Third, **download or offline-access services** may allow subscribers to store encrypted or otherwise technologically controlled versions of recordings on their devices. Such services raise additional copyright questions because reproduction and storage may be legally distinct from mere communication to the public.

The licensing framework must therefore clearly distinguish between streaming, downloading, permanent storage and commercial exploitation.

IV. Section 31-D and Statutory Licensing

One of the most important legal controversies concerning digital music streaming in India relates to Section 31-D of the Copyright Act.

Section 31-D provides a statutory licence for broadcasting literary and musical works and sound recordings. The provision permits a broadcasting organisation to communicate previously published works to the public by broadcast subject to specified conditions, including prior notice and payment of royalties.

The crucial question is whether an Internet-based music streaming platform can be treated as a broadcasting organisation for the purpose of Section 31-D.

This issue was directly considered in *Tips Industries Ltd. v. Wynk Music Ltd.* The dispute arose after the contractual licensing relationship between Tips Industries and Wynk Music broke down. Wynk attempted to rely upon Section 31-D in relation to its Internet-based services.

The Bombay High Court rejected the argument that Section 31-D could be used in the manner claimed by Wynk. The Court distinguished broadcasting from commercial rental or sale and held that the statutory licence under Section 31-D did not extend to the download and purchase services involved in the dispute. It also found that on-demand streaming implicated the exclusive rights of the copyright owner.

The decision is particularly significant because the Court noted that the legislature was aware of digital technologies when the 2012 amendment was enacted. The Court therefore treated the absence of express statutory language extending Section 31-D to Internet streaming as significant.

This interpretation provides greater bargaining power to copyright owners and prevents Internet platforms from automatically invoking a statutory licensing mechanism. At the same time, it creates a challenge for platforms because they must negotiate licences individually or through appropriate rights-management structures.

V. Royalty Distribution in the Digital Music Industry

Royalty distribution is one of the most important issues in the streaming economy. A streaming platform may receive revenue from subscriptions and advertisements, but this revenue must ultimately be distributed among various participants in the music ecosystem.

The problem is complicated because different right holders may have different contractual and statutory entitlements. A song may generate revenue for a record label, composer, lyricist, performer and publisher. The contractual arrangement between these stakeholders determines the distribution of revenue, subject to mandatory statutory protections.

The Copyright (Amendment) Act, 2012 strengthened the position of authors and composers by introducing important protections concerning royalties. The amendment sought to address historical concerns that creators often lost meaningful economic benefits after assigning their rights.

Section 19 also requires an assignment to specify the royalty and consideration payable to the author or legal heirs. This principle becomes increasingly important in the streaming economy because music may continue generating revenue for years after its initial release.

A major concern is **transparency**. Artists may receive royalty statements containing complex calculations based on streams, territories, subscription categories, advertising revenue, deductions and platform-specific accounting methodologies. Without transparent reporting, creators may find it difficult to verify whether payments accurately correspond to actual exploitation.

The problem is particularly acute for independent musicians who lack the bargaining power of major record labels. Consequently, copyright law should not merely guarantee a theoretical right to royalties; it should also facilitate mechanisms through which creators can verify and enforce their economic rights.

VI. Streaming, Reproduction and Communication to the Public

The legal character of streaming is another important issue. Streaming does not necessarily involve the same form of reproduction as downloading a permanent copy, but digital transmission may nevertheless involve technical reproductions at different stages.

The Copyright Act grants copyright owners exclusive rights that are directly relevant to digital exploitation. The legal analysis must therefore distinguish between temporary technical copies, permanent downloads, server-side storage and communication to the public.

In *Tips Industries*, the Bombay High Court found that electronic storage of sound recordings on users' devices through Wynk's services could not be treated simply as transient or incidental. The Court further rejected reliance on Section 52(1)(b) in the circumstances of the case.

This demonstrates that the legal treatment of digital copies depends significantly on the nature and purpose of the copying. A technological process that is indispensable for transmitting a work may be treated differently from a service deliberately designed to allow users to retain copies.

This distinction is particularly important as platforms increasingly provide offline listening features. From a copyright perspective, the contractual and technological conditions governing offline access become significant.

VII. Copyright Societies and Collective Rights Management

Collective management can simplify licensing in a market where numerous right holders and users interact continuously. Copyright societies can negotiate licences, collect royalties and distribute payments to members. The 2012 amendment strengthened the position of authors and other right holders within copyright societies. This is important because individual negotiations between thousands of creators and multiple digital platforms would be inefficient.

However, collective management must be accompanied by transparency and accountability. Accurate identification of works, metadata management, monitoring of streams and timely distribution are essential.

Digital technology provides opportunities for improving these processes. Platforms generate detailed information concerning plays, users, territories and consumption patterns. Properly structured reporting systems could therefore improve royalty administration.

The challenge is to ensure that technological information generated by platforms becomes accessible in an appropriate form to right holders and collecting societies while protecting commercially sensitive information and user privacy.

VIII. Economic and Technological Challenges

The streaming economy has expanded the market for music, but it has also created new forms of infringement and manipulation.

Online piracy remains a serious problem. Unlicensed websites, stream-ripping services and unauthorized redistribution can undermine legitimate streaming businesses. Technological protection measures and content identification systems can help platforms detect and prevent infringement.

Another emerging issue is **streaming fraud**. Artificially generated streams may be used to manipulate royalty systems, playlists or popularity rankings. IFPI's 2026 report identifies streaming fraud and artificial intelligence as significant issues shaping the future of the recorded music industry.

Artificial intelligence also raises questions about the creation of music, imitation of performers' voices and unauthorized use of copyrighted recordings for training AI models. These issues demonstrate that copyright regulation cannot remain limited to traditional forms of copying.

At the same time, excessive regulation may increase costs for smaller platforms and independent creators. The objective should therefore be proportionate regulation rather than simply imposing additional obligations.

IX. Need for Greater Transparency in Royalty Systems

One of the most significant reforms required in the Indian music-streaming industry is **greater transparency in the calculation and distribution of royalties**. At present, revenue generated from a particular song may pass through several stages involving streaming platforms, record labels, music publishers, copyright societies, composers, lyricists and performers. This makes it difficult for individual artists and other right holders to understand exactly how much revenue their work has generated and how the amount ultimately paid to them has been calculated. A transparent reporting system would enable copyright owners to independently understand and verify the commercial exploitation of their works.

Streaming platforms should ideally provide **standardized information regarding the number of streams generated by each recording**. The number of times a song has been played is an important factor in determining the revenue attributable to that recording. However, the mere disclosure of total streams may not be sufficient. Information should also indicate the **territory in which the streams occurred**, because royalty arrangements may differ according to geographical markets and applicable licensing agreements. For example, a recording may have different commercial value or contractual royalty arrangements in India, Europe, North America or other territories. Territorial information would therefore allow right holders to understand the basis upon which revenue has been calculated.

Another important element is disclosure concerning the **type of subscription or service through which the recording was accessed**. Revenue generated through a premium subscription may operate differently from revenue generated through an advertisement-supported or free-access service. Similarly, family plans, student subscriptions, promotional subscriptions and other categories may have different commercial arrangements. Providing this information in a standardized form would enable artists and copyright owners to understand how different categories of consumption contribute to their royalty entitlement.

Advertising-generated revenue is particularly important for platforms that provide music without requiring users to pay a direct subscription fee. In such cases, the economic value of a stream may be connected with advertising revenue rather than directly with a subscription payment. If right holders are provided with information regarding the revenue generated from advertising and the method used for allocating such revenue, they would have a clearer understanding of the economic value of their works on the platform.

Transparency is also necessary regarding **applicable royalty rates and deductions**. A royalty statement should ideally indicate the rate applicable to a particular category of exploitation and clearly identify any

deductions made before the final payment is calculated. Deductions may arise from contractual arrangements, taxes, administrative charges or other permitted expenses. Without a clear explanation of deductions, a copyright owner may receive a substantially lower amount than expected without being able to determine the reason for the difference.

Similarly, information concerning **licensing fees and payment schedules** should be properly documented. Where a streaming platform has entered into a licensing agreement with a record company, publisher or other rights holder, the financial terms of the arrangement may determine how revenue is subsequently distributed. Although commercially confidential information need not necessarily be publicly disclosed, relevant rights holders should have sufficient access to information to verify whether their contractual and statutory entitlements are being properly calculated. Clear payment schedules would further reduce delays and uncertainty regarding the receipt of royalties.

X. Critical Analysis of the Existing Framework

Indian copyright law has several strengths. First, it recognizes sound recordings as independently protected works. Second, it provides exclusive rights to copyright owners. Third, the 2012 amendment strengthened author and performer protections and adapted Indian law to aspects of the digital environment. Fourth, Section 31-D provides a statutory licensing mechanism for specified broadcasting activities.

However, significant limitations remain.

The most important limitation is that statutory provisions were not drafted specifically around today's interactive streaming ecosystem. The distinction between broadcasting and Internet streaming, highlighted in *Tips Industries*, illustrates this problem.

Second, the contractual bargaining position between large platforms, record companies and individual artists may be unequal. Formal freedom of contract does not always result in economically fair contracts.

Third, royalty distribution remains technically complex. The existence of a statutory royalty right does not automatically guarantee that creators can efficiently monitor exploitation or challenge inaccurate accounting.

Fourth, digital music is inherently cross-border. A platform may be incorporated in one jurisdiction, operate servers in another, license content from Indian and international right holders, and provide services to consumers across several countries. This complicates jurisdiction, enforcement and conflict-of-law questions.

XI. Suggestions and Recommendations

Several reforms can strengthen India's digital music copyright framework.

First, the legal framework should provide greater clarity concerning the treatment of different forms of digital music exploitation, particularly interactive streaming, offline access and digital downloads.

Second, standardized royalty reporting requirements should be considered. Platforms and licensing entities should provide sufficiently detailed statements to enable rights holders to verify payments.

Third, contractual transparency should be strengthened for individual artists and composers. Standard contractual guidelines could help ensure that important rights and royalty provisions are clearly communicated.

Fourth, copyright societies should adopt technologically advanced systems for identifying works and distributing royalties.

Fifth, the Government and industry should develop mechanisms for resolving streaming-related copyright disputes quickly. Specialized mediation or arbitration could reduce expensive and prolonged litigation.

Sixth, measures addressing streaming fraud should be developed in cooperation with platforms, record labels, artists and collecting societies.

Finally, future copyright reforms should adopt a technology-neutral approach. The objective should not be to regulate one particular platform or technology but to establish principles capable of adapting to future developments.

XII. Conclusion

Music streaming has transformed the economic and legal structure of the Indian music industry. It has made music more accessible to consumers and created new revenue opportunities for copyright owners, but it has simultaneously generated complex issues concerning licensing, reproduction, communication to the public, royalty distribution and platform responsibility.

The Copyright Act, 1957, particularly following the 2012 amendment, provides a strong foundation for protecting digital music rights. Nevertheless, the development of interactive streaming services has exposed limitations in a framework originally structured around more traditional forms of exploitation.

The decision in *Tips Industries Ltd. v. Wynk Music Ltd.* remains particularly important because it establishes that Internet-based music services cannot automatically rely on Section 31-D's statutory licensing mechanism. This reinforces the contractual nature of digital music licensing and protects the exclusive rights of copyright owners.

The future of India's music industry will depend not merely on stronger copyright enforcement but on creating a fair and transparent ecosystem. Copyright owners must receive meaningful protection, while composers, lyricists, performers and independent artists must receive equitable remuneration. Streaming platforms require sufficient flexibility to innovate, and consumers require affordable and lawful access to music.

The central challenge is therefore to move from a copyright framework focused primarily on preventing infringement toward a comprehensive digital rights framework that also addresses **transparency, royalty accountability, technological change and equitable remuneration**. Such an approach would allow Indian copyright law to remain relevant as streaming continues to evolve and new technologies reshape the music industry.

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