International Journal of Economic Practices and Theories (IJEPT)
ISSN: 2247-7225
Volume 2026, Issue 1

The Economic Impact of Artificial Intelligence on Copyright Societies: A Comparative Study of India, the United Kingdom and the United States

Akansha Yadav, Prof. (Dr)Prashant.S.Desai

[1,2](Galgotias university)

Abstract:

Generative Artificial Intelligence is transforming the economic landscape of copyright industries and challenging the traditional financial and institutional functioning of copyright societies. The ability of AI systems to access, process, reproduce and generate content using vast datasets of copyrighted works has created new economic opportunities as well as significant challenges for collective rights management. The use of copyrighted works in AI training, often without transparent disclosure or established licensing arrangements, raises fundamental questions concerning revenue generation, licensing expenditure, royalty collection, distribution mechanisms and the long-term financial sustainability of copyright societies.

This paper examines the economic impact of Artificial Intelligence on copyright societies through a comparative study of India, the United Kingdom and the United States with particular reference to the Indian Copyright Act, 1957, and the corresponding legal and institutional frameworks in the UK and USA, it analyses how AI is reshaping the economic models of collective rights management the study focuses on the economic implications of AI training and text and data mining, the emergence of new licensing markets, the costs of copyright monitoring and infringement detection, the efficiency of royalty administration, the valuation of copyrighted works and the distribution of economic benefits between creators, copyright societies and AI developers it also examines the implications of Section 52 of the Indian Copyright Act, 1957,for the economic exploitation of copyrighted works in AI training, alongside the broader questions of human authorship, synthetic content, cross-border exploitation and the absence of established AI-specific licensing tariffs and royalty mechanisms.

The paper argues that Artificial Intelligence presents a dual economic impact on copyright societies. On the one hand, AI-driven technologies have the potential to reduce administrative and transaction costs, improve copyright identification, enhance licensing efficiency and facilitate more accurate royalty distribution. On the other hand, unauthorised or inadequately compensated use of copyrighted works for AI training may undermine traditional licensing revenues, weaken the bargaining position of creators and create uncertainty regarding the future economic sustainability of collective management organisations. The paper further argues that the economic viability of copyright societies will increasingly depend on their ability to adapt their licensing structures, develop transparent AI-related revenue models and establish effective mechanisms for the identification, valuation and remuneration of copyrighted works. Through a comparative legal and economic analysis of India, the UK and the USA, the study proposes a framework for strengthening the financial sustainability, economic efficiency and institutional effectiveness of copyright societies while maintaining a fair balance between technological innovation and the economic interests of creators.

Keywords: Generative Artificial Intelligence; Copyright Societies; Copyright Monitoring; Infringement Detection; Collective Licensing; Collective Rights Management; AI Training; Text and Data Mining; Royalty Distribution; Copyright Act, 1957.

Introduction

Generative Artificial Intelligence (GenAI) has introduced a new and complex dimension to the economic functioning of copyright industries by transforming the manner in which copyrighted works are accessed, processed, reproduced and commercially exploited. Traditional copyright systems and collective management institutions developed around identifiable works, identifiable right-holders and comparatively visible forms of commercial exploitation, such as reproduction, public performance, broadcasting, communication to the public and digital distribution. Generative AI, by contrast, relies upon the computational processing of exceptionally

large volumes of text, images, music, audio-visual works and other protected material through technically complex and often opaque systems. This technological transformation is not merely changing the administration of copyright; it is also reshaping the economic foundations, revenue structures and commercial sustainability of copyright societies.

Traditionally, copyright societies perform an important economic function by aggregating rights, administering licences, collecting licence fees and distributing royalties to authors, composers, publishers, performers and other right-holders. Their economic viability depends upon the effective identification of protected works, verification of ownership, monitoring of commercial exploitation, determination of applicable licensing requirements and accurate distribution of remuneration. Artificial Intelligence increasingly challenges these traditional functions. Copyrighted works may be incorporated into AI training datasets or computationally processed during model development without the knowledge of individual creators or the copyright societies administering their rights. Such practices raise questions not only concerning legal authorization and potential infringement but also regarding the loss of traditional licensing opportunities, the emergence of new commercial markets and the equitable allocation of economic benefits arising from AI technologies the economic implications become particularly significant when examining the use of copyrighted material for AI training and text and data mining. Where copyrighted works are commercially exploited through AI systems without appropriate licensing or remuneration, copyright societies may face a reduction in potential licensing revenues and creators may lose opportunities for economic compensation. At the same time, the legal uncertainty surrounding exceptions such as fair dealing under Section 52 of the Indian Copyright Act, 1957, and the corresponding approaches adopted in the United Kingdom and the United States complicates the development of predictable licensing markets. The absence of established and universally accepted AI-specific licensing tariffs, attribution standards and royalty distribution mechanisms further creates uncertainty for copyright societies, AI developers and individual right-holders however, Artificial Intelligence also presents significant economic opportunities for collective rights management. The large-scale use of copyrighted material in AI development may generate new markets for licensing protected repertoires. Requiring AI developers to negotiate separately with every author, composer, publisher, performer or other right-holder may result in substantial transaction costs, administrative difficulties and commercial inefficiencies. Copyright societies, through their collective licensing structures and aggregated repertoires, may provide an institutional mechanism for facilitating large-scale access to copyrighted works while ensuring appropriate remuneration for creators.

Consequently, collective licensing may acquire renewed economic importance in the AI economy by reducing transaction costs, facilitating negotiations, improving market access and creating new sources of revenue for copyright industries artificial Intelligence may also improve the operational efficiency of copyright societies through automated monitoring, repertoire identification, data analysis, infringement detection and royalty administration. These technologies have the potential to reduce administrative expenditure, improve the accuracy of rights identification, minimise distribution errors and strengthen transparency in royalty payments. Nevertheless, their adoption may require substantial investment in technological infrastructure, digital databases, specialised personnel and data-management systems. The resulting economic benefits will therefore depend upon whether the gains in operational efficiency and revenue generation outweigh the costs of technological adaptation the comparative examination of India, the United Kingdom and the United States is particularly relevant because these jurisdictions operate under different copyright frameworks, collective management structures and approaches to commercial licensing. In India, Sections 33 to 35 of the Copyright Act, 1957 establish the statutory framework governing copyright societies, including their registration, licensing activities, administration of entrusted rights and distribution of royalties. These provisions were developed in a technological and commercial environment substantially different from contemporary Generative AI. Their application to large-scale AI training, data ingestion and cross-border commercial exploitation raises important questions concerning the economic sustainability and adaptability of the Indian collective management framework. The United Kingdom and the United States provide additional comparative perspectives through their respective collective licensing institutions, established copyright administration systems and approaches to digital and commercial exploitation of protected works against this background, the present paper examines the economic impact of Artificial

Intelligence on copyright societies in India, the United Kingdom and the United States. It focuses on the interconnected economic dimensions of copyright monitoring, infringement detection, collective licensing, royalty administration, repertoire management and the development of AI-related licensing markets. Particular attention is given to the economic consequences of training-data transparency, text and data mining, fair dealing and other copyright exceptions, uncertainty surrounding human authorship, synthetic performances, voice cloning, algorithmically altered content and cross-border exploitation.

The study further considers the implications of these developments for licensing revenues, transaction costs, administrative expenditure, creators' bargaining power, royalty attribution and the financial sustainability of collective management organisations the paper argues that Artificial Intelligence produces a dual economic impact on copyright societies. On the one hand, it may disrupt traditional revenue models by facilitating the commercial use of copyrighted material without established licensing and remuneration mechanisms, thereby weakening the economic position of creators and collective management organisations on the other hand, it may create new licensing opportunities, improve administrative efficiency, reduce transaction costs and strengthen the commercial value of collective rights management. The central challenge, therefore, is not simply whether copyright societies can adapt to new technologies, but whether they can develop economically sustainable institutional and commercial models capable of balancing the interests of creators, copyright societies, AI developers and users.

The paper ultimately argues that the future economic relevance of copyright societies will depend upon their ability to evolve from conventional licensing and royalty-collection bodies into technologically equipped and economically sustainable rights-management institutions. Such transformation requires transparent AI licensing arrangements, effective repertoire verification, reliable monitoring mechanisms, fair royalty attribution, efficient revenue distribution and appropriate investment in digital infrastructure through a comparative legal and economic analysis of India, the United Kingdom and the United States, the study seeks to identify a sustainable framework for collective rights management in the age of Artificial Intelligence, ensuring that technological innovation contributes to economic efficiency without undermining the legitimate economic interests of human creators.

1-Copyright Societies: From Traditional Licensing to Artificial intelligence Era Intermediaries

Copyright is ordinarily vested in individual authors and other right-holders but the commercial administration of copyright does not always take place on an individual basis. In markets characterised by repeated, dispersed and large-scale uses of protected works individual enforcement and licensing can become inefficient or even impracticable. An author, composer or other creator may theoretically possess exclusive rights, yet may lack the resources to identify every user, negotiate every licence, monitor every exploitation and collect every royalty personally

Under Indian copyright law copyright societies provide the institutional mechanism through which rights can be administered collectively. Section 33 of the Copyright Act, 1957 regulates the business of issuing or granting licences through registered copyright societies. Section 33A requires copyright societies to publish tariff schemes, thereby bringing a degree of transparency and predictability into collective licensing section 34 Copyright Act 1957 is especially important because it empowers a copyright society, subject to the statutory framework, to administer rights entrusted to it, issue licences, collect licence fees and distribute the amounts collected among authors and other right-holders section 35 of Copyright Act 1957 further ensures that the administration of the society remains subject to the collective control of authors and other owners whose rights are administered by it the statutory framework therefore does not treat a copyright society merely as a commercial intermediary. Its legitimacy flows from the right-holders whose rights it represents. In this sense, copyright societies perform both an economic and institutional function: they reduce transaction costs for users while also strengthening the bargaining position of creators these characteristics make copyright societies potentially important in the age of Artificial Intelligence. However, the central challenge is whether an institutional mechanism designed for comparatively conventional copyright markets can adapt to AI systems that may process enormous quantities of protected material through opaque, automated and cross-border technological processes.

2-Licensing Problem faced by Copyright Societies due to Generative Artificial intelligence

Generative AI creates a licensing problem primarily because of scale, complexity and invisibility in a conventional copyright transaction, the protected work and the parties are generally identifiable. For instance, if a producer wishes to adapt a novel into a film, the relevant copyright owner can ordinarily be located and the terms of exploitation are negotiated a generative artificial Intelligence model may be developed using datasets containing millions of textual, artistic, musical or audio-visual works even assuming that authorization is legally required for a particular category of training activity, obtaining individual licences for every protected work may be extraordinarily difficult.

Three practical obstacles arise

A-Identification Determining the ownership status of every work included within a large dataset may itself require significant technical and administrative resources. Copyright ownership may be divided, transferred or subject to multiple layers of rights.

B-Negotiation If every individual right-holder must independently negotiate terms with an AI developer, the cost of lawful access may become disproportionately high. Such transaction costs could be particularly burdensome for smaller AI developers, start-ups and research institutions.

C-Administration:-Rights information may be incomplete, works may have multiple owners, foreign repertoires may be involved and some right-holders may be difficult to trace. These complications become significantly greater when millions of works are processed within a single technological system.

These difficulties should not be treated as a justification for ignoring copyright rather they demonstrate that conventional one-to-one licensing may be structurally inadequate for large-scale Artificial Intelligence training.

Collective licensing offers a potential institutional response to this problem instead of requiring an AI developer to negotiate separately with thousands or millions of copyright owners, a copyright society can aggregate authorised rights and provide access to a defined repertoire through a collective licence for artificial Intelligence developers collective licensing can reduce search costs transaction costs and uncertainty regarding permissions for creators aggregation can strengthen bargaining power the individual contribution of one author composer or artist to a massive training dataset may appear economically insignificant when viewed in isolation Collectively however, a substantial repertoire of protected human creativity may possess considerable commercial value.

Copyright societies can therefore function not only as enforcement organisations but also as market intermediaries capable of making large-scale licensing more efficient this function becomes particularly important for independent creators who may lack the financial and institutional capacity to negotiate directly with large technology companies collective licensing however is not an automatic solution to the problems created by Artificial Intelligence the underlying Artificial intelligence activity must actually require authorization under copyright law If the use falls within a statutory exception such as fair dealing, a copyright society cannot impose an ordinary licence merely because the use is economically valuable the society must possess authority to administer the specific rights involved copyright societies cannot lawfully license rights that have not been entrusted to them the relevant repertoire must be identifiable a collective licence becomes difficult to administer where dataset contents are unknown or where a substantial proportion of works belong to non-members the society must be capable of collecting meaningful information regarding actual use if royalties are to be distributed fairly.

Thus, collective licensing addresses the transaction-cost problem, but it does not automatically solve the legal, technological and informational problems created by Artificial Intelligence.

The debate has acquired particular significance in India because of the growing policy discussion concerning Generative Artificial intelligence and copyright The central regulatory issue is whether the Copyright Act, 1957 can satisfactorily address large-scale computational use of protected works and, if not, whether new licensing or remuneration mechanisms should be developed.

India has a strong interest in developing a competitive domestic Artificial Intelligence ecosystem. Excessive licensing fragmentation may disproportionately burden Indian startups, research institutions and smaller technology companies that cannot negotiate individually with enormous numbers of right-holders.

At the same time India possesses substantial creative industries involving authors, composers, lyricists, performers, publishers, filmmakers, photographers and other creators whose economic sustainability depends upon effective protection and exploitation of copyright.

A regulatory framework that places all copyrighted works freely at the disposal of Artificial Intelligence developers may weaken the economic position of creators. Conversely, a system requiring individual permission for every item of training data may make lawful Artificial Intelligence development commercially impracticable collective licensing becomes attractive precisely because it seeks to occupy the middle ground between these two extremes

The emerging Artificial Intelligence environment may therefore require copyright societies to assume a substantially broader role than they traditionally performed traditional tariff schemes are generally based upon identifiable forms of exploitation such as public performance, broadcasting or digital dissemination a per-work tariff may be administratively impossible where millions of works are involved. A revenue-based model may have only an indirect relationship with actual use. A model based on individual contribution may be technologically incapable of accurate measurement copyright societies therefore require new tariff methodologies specifically designed for AI related uses.

Collective licensing cannot operate effectively without information a copyright society must know which works have been used before it can determine whether the use falls within its repertoire or calculate how royalties should be distributed this creates a direct link between collective licensing and training-data transparency.

Thus, transparency should not be viewed merely as a policy preference in the AI context it may be an operational prerequisite for meaningful collective rights management copyright societies and creator organizations worldwide have issued formal statements and joint declarations demanding fair compensation, transparency, and legal protections against unauthorized artificial Intelligence training where artificial Intelligence companies train their models on copyrighted text, art, music, and code without asking for permission or paying creators artificial intelligence tools create low-cost competing content at scale diluting the market and threatening the jobs of human artists, writers, and musicians lack of transparency tech companies often hide the exact datasets used to train large language models, leaving creators unable to track or manage their intellectual property Core Demands and Actions global organizations like the Indian Performing Right Society (IPRS) and the International Confederation of Societies of Authors and Composers (CISAC) signed joint declarations insisting that human creativity must be prioritized over machine generation collective Licensing & Royalties: Societies are pushing for mandatory collective licensing models where AI developers pay statutory royalties into a central pool that distributes funds back to human creators. Human Authorship Standard courts and copyright offices continue to rule that works created solely by Artificial Intelligence cannot be copyrighted because they lack human authorship.

3-Idea Expression Dichotomy and AI Training: Licensing Challenges for Copyright Societies in India

Indian copyright law is founded on the distinction between an idea and its expression copyright ordinarily protects the original expression of an idea rather than the underlying idea, theme or concept itself. In R.G. Anand v. Deluxe Films, the Supreme Court reaffirmed that ideas, plots and themes are not independently protected unless appropriated through substantially similar expression. This principle assumes particular significance in the context of Generative AI, which may analyse protected works to identify patterns, structures and relationships without necessarily reproducing their expressive form.

For copyright societies, this distinction creates a practical monitoring and licensing difficulty an Artificial Intelligence generated output may resemble the style, theme or structure of a protected work without reproducing legally protectable expression societies must therefore determine whether the relevant use amounts to appropriation of protected expression rather than mere reliance on unprotectable ideas or general characteristics.

The problem is further complicated by the absence of a comprehensive Artificial Intelligence specific provision in the Copyright Act, 1957 governing Text and Data Mining for model training. It remains uncertain whether the computational processing of protected works for AI development constitutes a licensable use, falls within fair dealing, or may be regarded as transformative in nature. Until greater legal clarity emerges, copyright societies face difficulty in developing Artificial Intelligence specific tariffs, monitoring potentially infringing uses and designing workable collective licensing mechanisms artificial intelligence aiming therefore sharpens the traditional idea–expression distinction and transforms it into an institutional challenge for collective rights management in India.

4-The Economic Dimension: Fair Dealing and Market Harm

The economic consequences of Artificial Intelligence training are particularly significant for copyright societies because collective rights management is intended, in part, to preserve the commercial value of creators' rights. A broad interpretation of fair dealing could substantially reduce the emerging licensing market for AI training, leaving creators without remuneration even where their works contribute to the development of commercially valuable models. At the same time, requiring individual permission for every work contained in a training dataset could generate prohibitive transaction costs, particularly for start-ups, researchers and smaller AI developers.

This tension demonstrates the need for a balanced approach copyright protection should not be applied in a manner that unnecessarily obstructs technological research and innovation, but unrestricted use of protected works may undermine the incentive structure of copyright and weaken the economic position of human creators.

The concern is not merely whether a work has been copied, but whether human-created material is being used to develop automated systems capable of producing competing content at substantially lower cost.

For copyright societies collective licensing may provide an institutional compromise by aggregating rights establishing standardised tariffs and negotiating on behalf of multiple right-holders, societies can reduce transaction costs while preserving the possibility of remuneration. However, collective licensing remains dependent upon the legal characterisation of Artificial training If such use is treated as fair dealing or a permissible non-expressive use, the licensing role of copyright societies may be significantly restricted conversely where authorization is required collective management may become essential for facilitating lawful access at scale.

The economic debate therefore lies at the intersection of fair dealing, market substitution, licensing efficiency and creator remuneration. The central challenge is to develop a framework that permits AI innovation without placing commercially valuable uses of protected human creativity entirely outside the copyright licensing system.

5-Artificial intelligence as a Double-Edged Sword for the Creative Industries

Artificial Intelligence should not, however, be treated solely as a threat to creativity artificial Intelligence is increasingly being incorporated into the creative process itself writers may use Artificial Intelligence for brainstorming or preliminary structuring musicians may employ algorithmic tools for ideation or technical assistance. Visual artists and filmmakers may use AI to modify, enhance or manipulate material. Creative software has increasingly incorporated automated functions capable of assisting rather than replacing human expression. This produces an important policy tension. Excessively restrictive regulation of Artificial Intelligence could disadvantage the very creators whom copyright law seeks to protect the relevant objective should therefore not be prohibition of Artificial Intelligence technology instead, the challenge is to distinguish between: AI as an assistive creative tool and AI as a mechanism for unauthorized exploitation or substitution of protected human expression copyright societies will increasingly have to operate at this boundary the Compensation Problem even where collective licensing is considered appropriate, determining remuneration remains difficult.

A single Artificial intelligence model may be trained upon an enormous quantity of material how much economic value should be attributed to one newspaper article, photograph, song, illustration or book within such a corpus? A simple per-work tariff may fail to reflect differences in use. A percentage of AI-company revenue may have only an indirect relationship with particular copyrighted material. A popularity-based model may reward already successful creators without demonstrating that their works contributed more significantly to model training.

Consequently, copyright societies would require new methods of royalty allocation specifically designed for AI. At minimum, such mechanisms should be transparent, evidence-based, technologically auditable and non-discriminatory.

The emergence of Artificial Intelligence has introduced a new dimension into the relationship between copyright exceptions and collective rights management in India. This became particularly significant following the Delhi High Court's decision in **ANI Media Pvt. Ltd. V. Open AI OpCo LLC (2026),** where the Court considered whether the use of copyrighted material for training Large Language Models could fall within the fair-dealing exception contained in Section 52(1)(a)(i) of the Copyright Act, 1957.

The decision has consequences extending beyond the immediate dispute between a news organisation and an AI developer. From the perspective of copyright societies

Copyright does not confer an unrestricted monopoly over every conceivable use of a protected work. Section 52 of the Copyright Act 1957 identifies specified activities that are not treated as infringement and therefore do not require authorization from the copyright owner these statutory exceptions demonstrate an important feature of copyright law: the exclusive rights of copyright owners coexist with legally recognised uses that may be undertaken without permission Section 52(1)(a)(i) Copyright Act 1957 assumes particular importance in the context of Artificial Intelligence. It protects fair dealing with a work, other than a computer programme, for the purpose of private or personal use, including research the Delhi High Court's application of these requirements to AI model training substantially expands the importance of Section 52 for collective rights management

6-Prompts, Human Control and the Licensing Dilemma for Copyright Societies

The legal treatment of prompts has important implications for copyright societies in the age of Generative Artificial Intelligence. The U.S. Copyright Office has taken the view that prompts alone do not ordinarily provide sufficient human control over an AI-generated output to establish authorship. Prompts generally function as instructions communicating the desired subject, tone, style or composition, while the AI system determines many of the expressive elements appearing in the final output.

This distinction is significant because copyright protects original expression rather than mere ideas, instructions or concepts. A person does not necessarily become an author merely by providing detailed directions. Principles derived from joint-authorship cases similarly suggest that authorship requires a copyrightable expressive contribution rather than mere supervision or instruction. Where execution is mechanical, a directing human may retain authorship; however, contemporary Generative AI systems may independently determine expressive features that are not fully controlled or predictable by the user.

The uncertainty is reinforced by the fact that identical prompts can generate substantially different outputs and that repeated prompting does not necessarily increase the user's creative control. Although considerable time and effort may be invested in refining prompts, copyright law protects original authorship rather than labour alone. The relevant inquiry therefore concerns the extent of human creative control over the final expression, not merely the sophistication or repetition of prompting.

For copyright societies, this uncertainty directly affects repertoire administration and licensing. A society must ensure that the person claiming rights actually possesses copyright capable of collective administration. Where an AI-assisted work contains both human-authored and machine-generated elements, the society may need to identify the protectable human contribution before accepting the work into its repertoire or licensing it to third parties.

The same problem extends to collective licensing and royalty distribution. Collective management depends upon the aggregation of legally valid rights. If copyright societies administer substantial quantities of AI-generated material whose copyright status is uncertain, the scope and reliability of their repertoires may become difficult to establish. Similarly, distributing royalties as though an entire work were human-authored may produce inaccurate allocations where substantial expressive elements were generated by Artificial Intelligence.

Generative Artificial Intelligence therefore creates a new rights-verification challenge for copyright societies. Their future role may require not only licensing and royalty administration but also determining the extent of

human authorship in AI-assisted works. The central question is whether copyright societies possess the legal and technological capacity to distinguish protectable human expression from machine-generated elements before such works are monitored, licensed and collectively administered.

7. The Economic Impact of Artificial Intelligence on Copyright Societies in India

Artificial Intelligence (AI) is transforming the economic landscape of copyright societies in India by reshaping traditional revenue models, licensing practices, royalty distribution systems and the overall economics of collective rights management. Copyright societies traditionally generate revenue by administering copyright and related rights, granting licences for the commercial use of protected works, collecting licence fees and distributing royalties among authors, composers, publishers, performers and other right-holders. However, the emergence of AI technologies, particularly Generative Artificial Intelligence (GenAI), has introduced new forms of commercial exploitation of copyrighted works, creating both opportunities and economic uncertainties for these organisations the use of copyrighted material in AI training and the commercial deployment of AI-generated content may influence the demand for existing creative works, the value of copyright licences and the future earning potential of creators. These developments raise important economic questions concerning the extent to which copyright societies can generate revenue from emerging AI-related markets and ensure adequate remuneration for their members.

At the same time, Artificial Intelligence offers significant opportunities to improve the economic efficiency of collective rights management through automated copyright monitoring, repertoire identification, usage tracking, infringement detection and royalty administration. Such technological applications may reduce administrative expenditure, transaction costs and operational inefficiencies while improving the accuracy and speed of royalty collection and distribution. Furthermore, collective licensing may enable AI developers to obtain access to large repertoires of copyrighted works through centralised licensing arrangements, creating potential new revenue streams for copyright societies and reducing the costs associated with individual negotiations. Nevertheless, the adoption of AI-based systems also involves financial commitments towards digital infrastructure, technological development, specialised personnel, data management and cybersecurity. The economic consequences of these developments extend to the bargaining power of individual creators, the commercial valuation of copyrighted works, the allocation of licensing revenues, the distribution of financial benefits and the competitive position of copyright societies within the evolving digital economy. This paper examines the economic impact of Artificial Intelligence on copyright societies in India, focusing on its implications for traditional licensing revenues, emerging AI-related revenue opportunities, operational expenditure, transaction costs, royalty collection and distribution, creators' earnings and the long-term financial sustainability of collective management organisations. It argues that AI represents both an economic opportunity and a potential source of financial disruption for copyright societies. While the commercial exploitation of copyrighted works through AI may create uncertainties for established revenue structures and creators' remuneration, the effective adoption of AI technologies and the development of economically viable collective licensing arrangements may strengthen revenue generation, improve administrative efficiency and expand the commercial scope of collective rights management. The paper ultimately examines how Indian copyright societies can adapt their economic models to technological transformation while ensuring sustainable revenue generation, equitable distribution of economic benefits and the financial interests of creators in an increasingly AI-driven creative economy.

8. The Economic Impact of Artificial Intelligence on Copyright Societies in the United Kingdom

Artificial Intelligence (AI), particularly Generative Artificial Intelligence (GenAI), is reshaping the economic structure of copyright societies in the United Kingdom by transforming traditional revenue models, creating emerging licensing markets and influencing the financial relationship between creators, copyright owners and technology developers. Copyright societies and collective management organisations (CMOs), including PRS for Music, PPL, the Copyright Licensing Agency (CLA) and the Authors' Licensing and Collecting Society (ALCS), perform an important economic function by aggregating rights, administering licences, collecting licensing revenues and distributing royalties among authors, composers, publishers, performers and other right-holders. The development of AI technologies presents these organisations with potential new sources of revenue through the

commercial licensing of copyrighted works for AI training, fine-tuning and other AI-related applications. Collective licensing arrangements can reduce transaction costs, facilitate access to extensive repertoires of protected works and strengthen the bargaining position of individual creators who might otherwise face difficulties negotiating directly with major technology companies. The generative AI licensing initiative developed by the CLA in partnership with Publishers' Licensing Services and ALCS illustrates the potential for collective management organisations to participate in emerging AI licensing markets and generate additional income for publishers and other right-holders. Such developments may expand the commercial value of existing copyright repertoires and diversify the revenue sources of UK copyright societies. However, AI also presents significant economic risks to their established financial models. The use of copyrighted material in AI systems without adequate licensing or remuneration may weaken existing income streams, while AI-generated material may compete with human-created literary, musical and artistic works, potentially affecting creators' earning capacity and the commercial value of original works. Inadequate information about the use of copyrighted material in AI training may further complicate the assessment of licensing fees, monitoring of commercial exploitation and allocation of royalties. Copyright societies must also consider the additional expenditure associated with technological infrastructure, automated monitoring systems, data management, repertoire identification, specialised expertise and cybersecurity. Although AI-enabled administration may reduce operational costs and improve the efficiency of royalty collection and distribution, the financial benefits will depend on the investment required and the effectiveness of the technologies adopted. These developments have broader implications for the distribution of economic benefits between large copyright owners, smaller creators, collective management organisations and AI developers. The paper examines the economic impact of Artificial Intelligence on copyright societies in the United Kingdom, focusing on traditional licensing revenues, emerging AI-related licensing opportunities, creators' earnings, operational expenditure, transaction costs, royalty collection and distribution, and the long-term financial sustainability of collective management organisations. It argues that AI represents both a potential source of economic growth and a challenge to the established financial foundations of copyright societies. While commercially viable collective licensing arrangements may create new revenue streams and improve the efficiency of rights administration, inadequate remuneration, competition from AI-generated content and rising technological expenditure may undermine creators' earnings and institutional financial stability. The paper ultimately argues that the economic sustainability of UK copyright societies will depend upon their ability to diversify revenue sources, develop efficient licensing models, reduce administrative costs and ensure equitable distribution of the economic benefits arising from AI-related commercial exploitation.

The Economic Impact of Artificial Intelligence on Copyright Societies in the United States

Artificial Intelligence (AI), particularly Generative Artificial Intelligence (GenAI), is transforming the economic structure of copyright societies and collective rights management organisations in the United States by creating new commercial opportunities while challenging traditional revenue models and mechanisms of creator remuneration. Organisations such as the American Society of Composers, Authors and Publishers (ASCAP), Broadcast Music, Inc. (BMI), the Mechanical Licensing Collective (The MLC) and SoundExchange perform important economic functions by administering copyright and related rights, collecting licensing revenues and distributing royalties to authors, composers, publishers, performers and other right-holders. The growing commercial use of copyrighted literary, musical and artistic works in AI training, model development and content generation has the potential to create new licensing markets and additional sources of income for these organisations and their members. Collective licensing can provide an economically efficient mechanism for granting access to large repertoires of copyrighted works, reducing the transaction costs associated with individual negotiations and strengthening the collective bargaining position of creators. However, inadequate compensation for the use of protected works in AI development may result in the loss of potential licensing revenues and weaken the existing economic position of copyright owners. Furthermore, the increasing availability of AI-generated music, literature and other creative content may intensify competition with human-created works, potentially reducing demand for original creative material, affecting market prices and diminishing the royalty income available to creators. These developments also raise concerns about the economic valuation of human creativity and the distribution of commercial benefits generated through AI-related exploitation. At the same time, Artificial

Intelligence offers considerable opportunities to improve the operational and financial efficiency of copyright societies. AI-enabled technologies can facilitate copyright monitoring, repertoire identification, usage tracking, ownership verification, royalty matching and automated distribution of payments.

The digital licensing and data-management infrastructure of The MLC demonstrates the economic importance of accurate ownership information, comprehensive usage records and effective data-matching systems in reducing administrative inefficiencies and ensuring appropriate royalty allocation. The adoption of such technologies may reduce operational expenditure, minimise errors, improve collection efficiency and strengthen the financial administration of collective management organisations. Nevertheless, these benefits must be balanced against the costs of technological infrastructure, specialised personnel, data management, cybersecurity and continuous system development. The economic implications of AI also extend to the bargaining power of individual creators, the allocation of licensing revenues, the commercial competitiveness of copyright societies and the financial sustainability of collective rights management. This paper examines the economic impact of Artificial Intelligence on copyright societies in the United States, with particular emphasis on traditional licensing revenues, emerging AI-related commercial opportunities, creators' earnings, market competition, operational expenditure, transaction costs, royalty collection and distribution, and institutional financial sustainability. It argues that AI presents both significant economic opportunities and substantial financial risks for American copyright societies. While unauthorised or inadequately compensated exploitation of copyrighted works and competition from AI-generated content may undermine established revenue streams and creators' earning potential, technologically advanced collective licensing arrangements may generate new income, expand commercial licensing activities and improve the efficiency of royalty administration. The paper ultimately argues that the long-term economic sustainability of copyright societies in the United States will depend upon their ability to adapt their revenue models, develop commercially viable collective licensing arrangements, strengthen technological infrastructure and ensure equitable distribution of the economic benefits arising from AI-driven creative and commercial activities.

Conclusion

Artificial Intelligence, particularly Generative Artificial Intelligence (GenAI), is transforming the economic foundations of copyright societies by creating new forms of commercial exploitation, disrupting traditional revenue models and changing the relationship between creators, copyright owners and technology developers. The economic impact extends beyond the use of copyrighted works in AI training to include the emergence of new licensing markets, competition from AI-generated content, changes in the valuation of creative works, royalty administration and the financial sustainability of collective management organisations. Copyright societies in India, the United Kingdom and the United States are consequently confronted with the challenge of adapting their established economic structures to an increasingly AI-driven creative economy.

The comparative examination of these three jurisdictions reveals both common economic concerns and differences in their institutional approaches. In India, the economic implications of AI must be considered in the context of the existing collective management framework and the need to strengthen licensing mechanisms, royalty administration and technological infrastructure. In the United Kingdom, the established network of collective management organisations and emerging AI licensing initiatives demonstrate the potential for developing additional revenue streams through collective licensing arrangements. In the United States, specialised organisations administering performance, mechanical and digital royalties illustrate the importance of comprehensive rights databases, efficient licensing infrastructure and accurate royalty distribution in responding to technological transformation. Despite differences in their copyright systems and collective management structures, all three jurisdictions face the common challenge of ensuring that the commercial use of human-created works contributes to sustainable economic returns for creators and copyright owners.

One of the most significant economic risks associated with AI is the possibility of reduced licensing revenues and diminished earning opportunities for human creators. Where copyrighted works are commercially exploited without adequate remuneration, copyright societies may lose potential sources of income and individual right-holders may find their bargaining position weakened. Furthermore, the increasing availability of AI-generated literary, musical and artistic content may intensify market competition, influence the commercial valuation of

original works and affect the distribution of royalties among creators. The lack of reliable information regarding the use of copyrighted material in AI systems may also complicate the assessment of licensing fees and the attribution of revenues to individual right-holders.

These developments make the preservation of traditional revenue streams and the creation of new economically viable licensing arrangements essential to the future functioning of copyright societies at the same time Artificial Intelligence offers substantial opportunities to strengthen the economic efficiency of collective rights management. Automated repertoire identification, copyright monitoring, usage tracking, rights verification and royalty matching can reduce administrative expenditure, minimise transaction costs and improve the accuracy of royalty collection and distribution. Collective licensing may also provide an economically efficient means of granting AI developers access to extensive repertoires of copyrighted works while enabling copyright societies to negotiate remuneration on behalf of multiple right-holders. Such arrangements could create new sources of institutional revenue, improve the commercial utilisation of existing repertoires and enhance the bargaining position of creators, particularly those who lack the resources to negotiate individually with major technology companies. Nevertheless, the financial benefits of technological adoption must be assessed against the expenditure required for digital infrastructure, specialised expertise, data management, cybersecurity and continuous technological development. The comparative analysis therefore demonstrates that the economic consequences of Artificial Intelligence for copyright societies are neither exclusively disruptive nor automatically beneficial. Their impact will depend upon how effectively these organisations respond to changing patterns of commercial exploitation, develop new revenue-generating opportunities, manage technological investment and ensure the equitable distribution of economic benefits. A sustainable approach requires commercially viable licensing models, transparent revenue allocation, efficient royalty administration and institutional strategies that protect the earning interests of creators while enabling responsible technological innovation. Although the precise mechanisms may differ according to the economic and institutional circumstances of India, the United Kingdom and the United States, the underlying objective remains the same: ensuring that technological advancement does not undermine the economic value of human creativity. Ultimately, Artificial Intelligence does not render copyright societies economically redundant; rather, it creates an imperative for their financial and institutional transformation. Their long-term relevance will depend upon their ability to move beyond conventional licensing and royalty collection towards technologically advanced, economically sustainable and adaptable collective management models. By balancing new commercial opportunities with the protection of creators' earnings, reducing administrative and transaction costs, and developing effective mechanisms for the distribution of AI-related revenues, copyright societies in India, the United Kingdom and the United States can continue to play a significant economic role in the evolving global creative economy.

References

[1] The Copyright Act, 1957, Act No. 14 of 1957, particularly ss. 2(d), 2(ffc), 13, 14, 30, 33, 33A, 34, 35, 36, 38A, 38B, 39A, 51 and 52.
[2] The Copyright (Amendment) Act, 2012, Act No. 27 of 2012.
[3] ANI Media Pvt. Ltd. V. Open AI OpCo LLC, CS(COMM) 1028/2024, I.A. 45300/2024, 2026:DHC:5900 (Delhi High Court, 24 July 2026).
[4] R.G. Anand v. Deluxe Films, (1978) 4 SCC 118; AIR 1978 SC 1613.
[5] Academy of General Education, Manipal v. B. Malini Mallya, (2009) 4 SCC 256; AIR 2009 SC 1982.
[6] Eastern Book Company v. D.B. Modak, (2008) 1 SCC 1.
[7] Anil Gupta v. Kunal Dasgupta, 2002 SCC OnLine Del 250.
[8] The Chancellor, Masters & Scholars of the University of Oxford v. Narendra Publishing House, 2008 (38) PTC 385 (Del).
[9] The Copyright (Amendment) Act, 2012.
[10] The Copyright Rules, 2013.
[11] -Department for Promotion of Industry and Internal Trade, Government of India, Working Paper on Generative AI and Copyright, Part I: One Nation One License One Payment Balancing AI Innovation and Copyright, December 2025.