INDIAN JOURNAL OF LEGAL REVIEW [IJLR – IF SCORE – 7.58]

VOLUME 5 AND ISSUE 13 OF 2025

APIS – 3920 - 0001 *(and)* ISSN - 2583-2344

Published by

Institute of Legal Education

https://iledu.in

MUSIC ROYALTIES, STREAMING PLATFORMS, AND THE FUTURE OF COPYRIGHT LAW

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BEST CITATION - AMBIKA RANI, POWER, MUSIC ROYALTIES, STREAMING PLATFORMS, AND THE FUTURE OF COPYRIGHT LAW, *INDIAN JOURNAL OF LEGAL REVIEW (IJLR),* 5 (13) OF 2025, PG. 583-586, APIS – 3920 – 0001 & ISSN - 2583-2344.

In the music industry, where creative output is both a cultural artifact and a commercial product, copyright law has long served as the legal basis for the protection and monetization of artistic expression. It guarantees that composers, lyricists, musicians, and other creative contributors maintain certain legal rights over their work, enabling them to manage the distribution, performance, and commercialization of their music. These rights, which allow musicians to make a living and reinvest in their craft, have historically been essential to preserving the financial sustainability of music production. However, the development of music distribution technology has significantly changed how royalty regimes function and how music is consumed. The emergence of digital music streaming has completely changed the industry's economic structure, bringing with it both previously unheard-of worldwide access and serious issues with equitable remuneration. This change raises important concerns about whether existing copyright laws are sufficient to support creative work in a time when music is more accessible than ever before but frequently brings in startlingly little money for many of the artists who create it.

Vinyl records, cassettes, and compact discs were among the physical media that dominated the music industry's pre-digital commercial paradigm. Sales and radio play were the main sources of income for artists and record labels, with live concerts and merchandising serving as additional sources. In theory, royalty payments were simpler because public broadcasts were linked to pre-existing performance licensing arrangements and each unit sold equated to a calculable portion of revenue. This system's fundamental premise was that listening to music required ownership. When a listener bought a tangible copy of a record, that transaction had economic significance. The ownership model persisted even as technology advanced from vinyl to CDs, which closely mirrored how copyright law saw creative works as property whose use could be restricted by the rights holder.

However, this model was severely undermined by the development of the internet in the late 20th century. Users were able to freely and anonymously share digital music files over peer-to-peer file-sharing networks like Napster, LimeWire, and Kazaa. Customers may now obtain enormous music collections without having to pay for them thanks to this advancement, which successfully separated music access from commercial transactions. Instantaneous, decentralized digital copying was beyond the scope of copyright law, which was created for the slow reproduction of tangible goods. In response, legal organizations filed lawsuits and used enforcement measures to discourage piracy, most notably against Napster, which was ultimately shut down following a historic case led by well-known record companies and musicians. However, the effectiveness of enforcement operations was limited. People's cultural expectations regarding music consumption had already changed; they now believed that music could be freely released, extensively shared, and

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instantaneously accessed.

Part of the practical response to this dilemma was the emergence of streaming services. Streaming companies used an access-based approach instead of trying to restore an ownership paradigm that had been weakened by technology. Users can listen to almost infinite music collections through services like Spotify, Apple Music, YouTube Music, Amazon Music, and regional platforms like JioSaavn or Gaana in India in exchange for monthly subscription fees or exposure to ads. By providing price and ease that rivaled piracy, this strategy gave the music industry a legal revenue stream again, making legal use simpler than illicit consumption. While streaming was mainly successful in reducing mass piracy, it also created a new issue: how to fairly compute and distribute royalties in a system where music is continuously consumed rather than bought as discrete units.

Compared to the era of physical sales, royalty distribution in streaming is far more complicated. The majority of platforms employ a pro-rata income allocation approach, in which all subscription and ad earnings received over a certain time period are combined into a pool and subsequently allocated according to each artist's portion of all streams. Regardless of whether individual listeners expressly want to support them, the model's result is that musicians with the most worldwide streams earn the majority of cash. This leads to an imbalance where independent musicians with devoted but smaller fan bases receive meager financial returns, while commercially powerful artists and labels amass disproportionately large incomes. For example, a listener's subscription price is absorbed into the global revenue pool and mostly allocated to the most streamed acts worldwide, even if they spend the entire month listening just to a small local artist. Musicians' unions, advocacy organizations, and academics have criticized this system, claiming that it severely disadvantages up-and-coming musicians and adds to the industry's income disparity.

Each musical work has a tiered system of rights that exacerbates the problem. The musical composition, which comprises the lyrics and melody, and the sound recording, which is the composition's recorded performance, are the two main copyright components of every song. While recording rights are traditionally owned by artists and their record labels, composition rights are usually managed by songwriters and music publishers. Different kinds of royalties, including mechanical royalties, performance royalties, synchronization royalties, and digital streaming royalties, are produced by each of these elements. Record labels, publishers, performing rights organizations, collective management companies, and digital rights management platforms are some of the intermediaries involved in the distribution of these revenues. Because of this, an artist may only receive a small share of the total earnings from streaming services. Due to their control over vast music collections, major record labels frequently negotiate preferential licensing deals with streaming services, which enable them to obtain more advantageous royalties, advances, and equity interests. At the expense of independent artists, this further solidifies the authority of major rights holders in the business.

Some of these issues have been addressed through legal reforms, albeit their success has been uneven. By creating a centralized Mechanical Licensing Collective (MLC) in charge of managing mechanical royalties to songwriters and publishers, the Music Modernization Act (2018) in the US sought to reform licensing regulations for the streaming era. In the meantime, the European Union's 2019 Copyright Directive imposed stricter transparency requirements, mandating that platforms get more precise licenses and notify creators about the usage of their works. These changes are a step in the direction of bringing copyright law into line with the reality of the digital age. They do not, however, significantly change the structure of revenue distribution that favors big label artists and corporate

entities. Many critics contend that legal changes can only provide little assistance if the fundamental business mechanisms of streaming are not altered.

Streaming's worldwide reach complicates matters further. Copyright law is still territorially regulated even if streaming services operate internationally. Every country has its own laws governing royalties, licensing, and enforcement. As a result, a song that is streamed in India can earn a different royalty rate than one that is streamed in Germany or the United States. This disjointed environment results in uneven remuneration and may cause payments to artists to be delayed. Even though global organizations like the World Intellectual Property Organization (WIPO) encourage harmonization, complete standardization is difficult because to disparities in political systems, economic priorities, and cultural policies.

A growing number of reform proposals center on reconsidering the distribution of streaming revenue. The user-centric payment system is one alternative approach that has gained traction. This method distributes each subscriber's monthly fee just to the artists they have listened to, as opposed to the artists who account for the majority of streaming volume. This technique may boost income for independent and niche artists, according to preliminary studies in some European marketplaces. Major record labels and top-streaming musicians that profit from the current arrangement, as well as some platforms that contend the accounting complexity of such a change would raise operating expenses, have opposed it.

Another potential avenue for transformation is through technological innovation. Blockchain-based systems might produce transparent, unchangeable records of music usage and ownership, enabling smart contracts to automatically and instantly disperse royalties. In addition to increasing transparency and lowering administrative costs, this might give artists direct control over their sources of income. However, there are practical barriers to widespread use, such as the requirement for international standardization, technological integration with current streaming services, and legal acceptance of blockchain-based rights registries.

The discussion around music royalties in the era of streaming also touches on more general philosophical issues like the worth of artistic endeavor. The financial viability of music careers has decreased for many musicians, despite the fact that streaming has made music more accessible to a wider audience worldwide. There is now a cultural paradox: most musicians struggle to make money from their recorded work, despite the fact that music is consumed more extensively than at any other time in history. The common belief that music should be inexpensive or free has cultural ramifications that affect how society views artistic effort. The richness and vitality of musical culture may gradually decline if artists are unable to support themselves.

In the meantime, fresh disruptions keep coming up, especially in the form of music creation powered by artificial intelligence. Artificial intelligence (AI) algorithms that have been trained on large datasets are now able to create creative compositions that imitate particular genres, styles, or even the voice qualities of individual musicians. This presents difficult copyright issues pertaining to ownership, authorship, and originality. To what degree should the original authors be acknowledged or compensated if a machine generates music using patterns it has learnt from copyrighted works? Furthermore, in order to save licensing costs, streaming services might soon use AI-generated content, which could jeopardize human musicians' income sources. In the context of machine- generated innovation, copyright law will need to change to handle these new issues by clearly defining the boundaries between inspiration, imitation, and infringement.

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Moral rights, which include an artist's right to receive credit for their work and to object to changes that compromise the integrity or meaning of their composition, are another topic of continuous discussion. In the digital world, works are frequently sampled, recycled, remixed, and algorithmically suggested in ways that may deviate from the original intent of the artist. While some countries, like those in Europe, provide strong legal safeguards for moral rights, others, like the US, only recognize them to a lesser extent. The issue of how to protect artistic identity may become more pressing as music distribution gets more algorithm-driven.

Thus, both pragmatic and philosophical issues must be taken into consideration for the future of copyright law. Practically speaking, laws need to change to guarantee that artists receive just compensation in digital markets. Philosophically, society needs to think about the importance it places on cultural output and if it is dedicated to maintaining systems that encourage creative work. Minimum royalty rates, user-centric income allocation, platform transparency, label contract regulations, and the adoption of artist collective bargaining procedures are some examples of potential legislative interventions. However, legislators, business stakeholders, producers, and consumers must work together for any reform to be successful.

In conclusion, greater conflicts between technological advancement, economic justice, and cultural sustainability are reflected in the evolution of music royalties in the era of streaming. Music is now more accessible than ever thanks to streaming, but it has also highlighted the shortcomings of current copyright laws and revealed systemic injustices in royalty systems. Without significant change, the music business runs the risk of weakening its own creative base by neglecting to assist the artists who provide its cultural value. Revenue systems that fairly divide income, technical systems that support rather than exploit creative expression, and copyright laws that safeguard artistic work are all necessary for a balanced future. The music industry can only prosper while upholding the core tenet that artists should be fairly acknowledged and compensated for their labor by taking such a diverse approach.