



Monetization of AI-Generated Songs for Authors' Economic and Moral Rights Protection

Monetisasi Lagu Ciptaan Kecerdasan Artifisial untuk Perlindungan Hak Ekonomi dan Moral Pencipta

Faradigma D. Zainuddin¹, Nirwan Junus², Nurul Fazri Elfikri³

¹⁻³Faculty of Law, Gorontalo State University, Indonesia

Article Info

Corresponding Author:

Faradigma D. Zainuddin

✉ rarazainuddin28@gmail.com

History:

Submitted: 15-04-2026

Revised: 06-05-2026

Accepted: 08-05-2026

Keyword:

Generative Artificial Intelligence; Digital Algorithmic Monetization; Anthropocentric Copyright Paradigm; Work-Made-for-Hire Doctrine.

Kata Kunci:

Kecerdasan Buatan Generatif; Monetisasi Algoritmik Digital; Paradigma Hak Cipta Antroposentris; Doktrin Work-Made-for-Hire.

Abstract

Generative artificial intelligence autonomously producing music creates a profound normative void within anthropocentric copyright regimes, fatally paralyzing digital royalty distribution. This study aimed to resolve the attribution collapse of moral and economic rights in algorithmic monetization. This research employed a pure doctrinal methodology, utilizing qualitative content analysis to critically deconstruct rigid statutory frameworks. The analysis reveals that the absolute human authorship requirement structurally dismantles national collective management organizations, permitting digital platforms to unjustly monopolize algorithmically generated commercial revenue. The central thesis asserts that resolving this regulatory crisis requires legally decoupling economic commercialization from biological authorship. By adapting the work-made-for-hire doctrine, lawmakers can legally establish the human system operator as the statutory holder of economic rights while permanently denying moral rights to machines. Ultimately, this bifurcated regulatory model provides a universally resonant prescriptive blueprint to restore legal certainty and ensure equitable commercial compensation across the rapidly evolving contemporary global digital economy.

Abstrak

Kehadiran kecerdasan buatan generatif yang memproduksi komposisi musik secara otonom telah menciptakan kekosongan norma yang sangat mendalam dalam rezim hak cipta antroposentris, sehingga melumpuhkan mekanisme distribusi royalti digital secara fatal. Studi ini secara spesifik bertujuan untuk menyelesaikan keruntuhan atribusi hak moral dan ekonomi pada monetisasi algoritmik. Riset ini menggunakan metodologi doktrinal murni melalui analisis isi kualitatif guna mendekonstruksi kerangka regulasi kaku secara kritis. Analisis mengungkapkan bahwa prasyarat mutlak kepengarangan manusia secara struktural melumpuhkan lembaga manajemen kolektif, sehingga platform digital dapat memonopoli pendapatan komersial algoritmik secara tidak adil. Tesis sentral menegaskan bahwa penyelesaian krisis ini membutuhkan pemisahan yuridis antara komersialisasi ekonomi dan kepengarangan biologis. Dengan mengadaptasi doktrin *work-made-for-hire*, legislator dapat menetapkan operator sistem manusia sebagai pemegang hak ekonomi sembari menyangkal hak moral bagi mesin secara permanen. Akhirnya, model regulasi bifurkasi ini memberikan cetak biru preskriptif universal guna memulihkan kepastian hukum dan menjamin kompensasi komersial adil pada lanskap ekonomi digital global kontemporer.



Copyright: © 2026 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY SA).

doi: <https://doi.org/10.65101/lawric.v2i1.263>

A. INTRODUCTION

1. Background

The exponential proliferation of generative artificial intelligence (AI) in the music industry has precipitated a profound clash of norms between autonomous algorithmic creation and the anthropocentric foundations of global copyright law. Algorithms are no longer relegated to the status of mere computational tools; they now function as autonomous engines capable of composing, producing, and distributing complex musical arrangements derived from massive neural datasets.¹ This technological reality directly collides with the fundamental legal fiction upon which international intellectual property regimes are built: the absolute requirement of human authorship. Consequently, a severe regulatory vacuum has emerged within the digital monetization ecosystem. As AI-generated songs saturate digital streaming platforms, generating substantial commercial revenue, the absence of a recognized legal subject creates systemic ambiguity regarding the allocation of economic royalties and the enforcement of moral rights (paternity and integrity).²

This doctrinal tension is particularly acute within the Indonesian copyright jurisdiction, providing a critical lens through which to examine a universally systemic legal failure. Law Number 28 of 2014 on Copyright, representing a rigid civil law dualist approach, operates strictly on the presumption that a creator is a biological human being endowed with will, creativity, and personal expression.³ Article 40, paragraph (1) of the Law explicitly protects musical compositions, yet Article 1, paragraph (2) legally confines the definition of a creator to "an individual or several individuals who independently or jointly produce a work that is distinctive and personal." When an AI system unilaterally generates a musical composition lacking human creative awareness, the legal umbilical cord connecting the author to the work is severed. Because AI possesses neither legal personhood nor dignity, it cannot logically or legally hold moral rights.⁴ Concurrently, the economic rights mechanism—which governs the transferability of commercial

¹ Jan Mycka and Jacek Mańdziuk, "Artificial Intelligence in Music: Recent Trends and Challenges," *Neural Computing and Applications* 37, no. 2 (January 16, 2025): 801–39, <https://doi.org/10.1007/s00521-024-10555-x>.

² Jane C. Ginsburg and Luke A. Budiardjo, "Authors and Machines," *Berkeley Technology Law Journal* 34, no. 2 (2019): 345–48, https://scholarship.law.columbia.edu/faculty_scholarship/2323/.

³ Indonesia, "Undang-Undang (UU) Nomor 28 Tahun 2014 Tentang Hak Cipta," 2014, <https://peraturan.bpk.go.id/Details/38690/uu-no-30-tahun-2009>.

⁴ Daniel Gervais, "The Machine as Author," *Iowa Law Review* 105, no. 5 (2020): 2060–65, <https://scholarship.law.vanderbilt.edu/faculty-publications/1164/>.

exploitation and royalty distribution as mandated by Articles 18 and 30—fails entirely because there is no legitimate human rightsholder to initiate the monetization chain or claim the digital revenue.

The jurisdictional challenge faced by Indonesia is not an isolated domestic anomaly, but rather a reflection of a deeply fragmented global legal landscape. The international academic community and foreign judiciaries are currently grappling with identical substantive disputes. For instance, in the landmark United States case of *Thaler v. Perlmutter*, the federal court unequivocally reinforced the anthropocentric paradigm, ruling that human authorship is an indispensable constitutional requirement for copyright protection, thereby leaving autonomous AI creations legally orphaned in the public domain.⁵ Conversely, jurisdictions such as the United Kingdom, through Section 9(3) of the Copyright, Designs and Patents Act (CDPA) 1988, have proactively attempted to bridge this gap by legally fictioning the author of a computer-generated work as the person who undertakes the arrangements necessary for its creation.⁶ By juxtaposing Indonesia's rigid human-centric doctrine against the UK's pragmatic statutory fiction and the US's absolute rejection of algorithmic authorship, the monetization of AI-generated music transcends domestic regulatory technicalities and emerges as a critical discourse in international comparative law.

Contemporary legal scholarship regarding AI authorship is broadly polarized into two distinct thematic camps. The first camp, dominated by anthropocentric purists, argues that injecting non-human entities into the copyright sphere fatally compromises the philosophical justification of intellectual property, advocating that AI-generated works must instantly fall into the public domain.⁷ The second camp, driven by utilitarian pragmatists, contends that denying copyright to AI outputs stifles digital economic growth and disincentivizes technological investment, suggesting that authorship should be attributed to the AI programmer or the prompt-engineer.⁸ Within the Indonesian

⁵ USA, "Stephen Thaler v. Shira Perlmutter, Register of Copyrights and Director of the United States Copyright Office, Civil Action No. 22-1564 (BAH), United States District Court for the District of Columbia," 2023, <https://www.wipo.int/wipolex/en/judgments/details/1840>.

⁶ Söğüt Atilla, "Dealing with AI-Generated Works: Lessons from the CDPA Section 9(3)," *Journal of Intellectual Property Law and Practice* 19, no. 1 (January 31, 2024): 43–54, <https://doi.org/10.1093/jiplp/jpad102>.

⁷ Craig Craig and Ian Kerr, "The Death of the AI Author," *Osgoode Hall Law Journal* 58, no. 1 (2021): 31–35, https://digitalcommons.osgoode.yorku.ca/scholarly_works/2985/.

⁸ Nataliia Bulat, "When It Comes to the Use of AI in the Inventive Process: Is There Room to Confirm the Subjective Inventorship Standard in a World of Objective Patentability Criteria?," *The Journal of World Intellectual Property*, March 30, 2026, <https://doi.org/10.1111/jwip.70019>.

context, recent scholars have largely echoed this debate by highlighting the friction between AI capabilities and statutory limits. Utami et al. and Shelina emphasize the theoretical impossibility of attaching moral and economic rights to AI due to its lack of legal subjectivity, while Artawijaya and Sari dissect the collapse of the "originality principle" under Article 1 of the Indonesian Copyright Law when applied to algorithmic creations.^{9,10,11}

Despite this robust theoretical discourse, a significant literature gap persists. Previous studies have predominantly fixated on the ontological question of *authorship attribution* (who the creator is), while critically neglecting the pragmatic, operational mechanics of *digital monetization and royalty distribution frameworks* in jurisdictions that strictly bifurcate moral and economic rights. The existing literature suffers from a blind spot regarding how Collective Management Organizations (CMOs) and digital streaming platforms should lawfully disburse royalties when a commercialized song lacks a legally recognized human author, thereby risking severe unjust enrichment by digital aggregators. Addressing this specific gap, this article offers a distinct legal novelty by conceptualizing a bifurcated regulatory model that severs moral rights from economic rights in the context of generative AI. Rather than forcing AI into the traditional definition of a creator, this research constructs a theoretical framework that treats AI-generated music as a specialized commercial asset subject to adapted licensing regimes.

This article advances the thesis that the anthropocentric framework of Law Number 28 of 2014 is fundamentally inadequate to govern the digital monetization of AI-generated music, thereby necessitating an urgent statutory reformulation through the adaptation of the "work made for hire" doctrine. The central argument defended herein is that while moral rights must remain exclusively human—and thus inapplicable to autonomous AI outputs—the economic rights generated by AI musical compositions can and must be legally vested in the human operator or AI developer who proximately

⁹ Lili Sekararum Utami, Subianta Mandala, and Darwati Darwati, "Aspek Legalitas Atas Hak Moral Dan Hak Ekonomi Dalam Pembuatan Musik Dari Generator Music AI," *Jurnal Pendidikan Indonesia* 6, no. 7 (July 8, 2025): 2925–41, <https://doi.org/10.59141/japendi.v6i7.8114>.

¹⁰ Theodora Shelina, "Hak Cipta Atas Lagu Yang Dihasilkan Artificial Intelligence: Kepemilikan Dan Pertanggungjawaban Atas Pelanggaran Dalam Regulasi Hak Cipta Indonesia," *ALSA LC UGM Law Journal* 6, no. 1 (2025): 64–76, <https://journal.ugm.ac.id/v3/ARJUNA/article/view/26273>.

¹¹ Randy Artawijaya and Dyah Permata Budi Sari, "Analisis Asas Orisinalitas Dalam Pasal 1 Undang – Undang No. 28 Tahun 2014 Tentang Hak Cipta Terhadap Karya Yang Dihasilkan Oleh Artificial Intelligence," *Jurnal Sosial Teknologi* 5, no. 12 (December 16, 2025): 4287–95, <https://doi.org/10.59188/jurnalsostech.v5i12.32572>.

facilitated the creation. By proposing this legal bifurcation, this article provides a prescriptive, globally resonant solution to resolve the royalty distribution deadlock, ensuring legal certainty for digital platforms while safeguarding fair commercial compensation within the modern creative economy.

2. Research Questions

Based on the doctrinal tensions outlined above, this research formulates two primary questions to guide the subsequent analysis: First, how does the strict anthropocentric requirement within the Indonesian copyright regime create a normative void regarding the legal status and moral rights of AI-generated musical compositions? Second, in the absence of a legally recognized human author, how can the regulatory frameworks for economic rights and digital monetization be restructured—such as through the adaptation of the work-made-for-hire doctrine—to ensure fair royalty distribution for human operators facilitating AI creations?

3. Research Methodology

This research employed a pure doctrinal legal methodology to critically examine the systemic regulatory vacuum concerning the copyright monetization of Artificial Intelligence-generated music. To circumvent the epistemological limitations of generic textbook definitions, the methodological framework of this study was anchored in contemporary legal-dogmatic scholarship, which operationalizes normative analysis to deconstruct and structurally reform existing statutory boundaries.¹² Operationally, the research design was executed through four interconnected analytical pillars to ensure methodological transparency and replicability.

First, the study utilized a statutory and conceptual approach to dissect the anthropocentric foundations of copyright law in response to technological disruption. Second, the primary legal materials were strictly confined to authoritative legislative instruments, specifically Law Number 28 of 2014 on Copyright, alongside the derivative administrative regulations governing Collective Management Organizations (CMOs) and royalty distribution mechanisms in Indonesia.

Third, the data collection procedure was executed through systematic digital library research utilizing global legal databases, primarily HeinOnline, LexisNexis, and Scopus. To maintain scientific rigor, the literature search employed the specific Boolean string

¹² Terry Hutchinson, "Doctrinal Research," in *Research Methods in Law* (London: Routledge, 2025), 8–38, <https://doi.org/10.4324/9781032710372-2>.

("artificial intelligence" OR "generative AI") AND ("copyright" OR "authorship") AND ("music" OR "monetization"). The inclusion criteria were strictly restricted to peer-reviewed articles published in indexed law journals between 2021 and 2026. Studies focusing solely on AI patent inventorship, generic data privacy, or AI ethics without a direct nexus to copyright monetization frameworks were deliberately excluded to preserve doctrinal focus.

Fourth, the collected legal materials were subjected to a qualitative legal content analysis rather than a mere descriptive summary. The analytical framework specifically employed a teleological interpretation method to evaluate the fundamental legislative intent of Article 1(2) of Law No. 28 of 2014 against the empirical reality of autonomous algorithmic music generation. Subsequently, a deductive syllogism was applied to bridge the identified normative gap, testing the viability of the "work-made-for-hire" doctrine as a prescriptive legal solution to restructure digital royalty distributions and ensure fair commercial compensation for human operators.

B. DISCUSSION

1. The Anthropocentric Paradigm: Statutory Rigidities and the Normative Void of AI Authorship in Indonesia

The core doctrinal issue confronting the modern intellectual property regime is the profound epistemological fracture between the rapid advancement of autonomous generative AI and the rigid, human-centric foundations of copyright law. The fundamental rule governing this regime in Indonesia is entrenched within Law Number 28 of 2014 on Copyright, which operates on a strict civil law dualist framework. Article 1, paragraph 1 of the Law establishes that copyright is an exclusive right arising automatically based on the declarative principle once a creation is fixed in a tangible medium.¹³ However, the absolute prerequisite for this protection is legally fenced by Article 1, paragraph 2, which defines a creator explicitly as "an individual or several individuals who independently or jointly produce a work that is distinctive and personal." This statutory formulation legally mandates an anthropocentric paradigm; originality is not merely a measure of absolute novelty, but rather the tangible manifestation of human consciousness, emotional labor, and cognitive autonomy.¹⁴

¹³ Indonesia, "Undang-Undang (UU) Nomor 28 Tahun 2014 Tentang Hak Cipta."

¹⁴ Muhamad Djumhana and Djubaedillah, *Hak Milik Intelektual: Sejarah, Teori Dan Prakteknya Di Indonesia*, 1st ed. (Bandung: Citra Aditya Bakti, 1997). Page, 45-47.

When applying this rigid statutory rule to the empirical reality of AI-generated music, a critical legal malfunction occurs. AI systems generate complex musical compositions through algorithmic data processing without possessing legal personality, free will, or moral dignity.¹⁵ As scholars like Christi and Cahyaningsih have rightly pointed out, an algorithm merely executes mathematical commands and cannot be personified as a legal subject capable of bearing rights or responsibilities under Indonesian national law.¹⁶ Consequently, when an AI system autonomously produces a song, the statutory requirement of a "distinctive and personal" human touch collapses. This collapse creates an absolute normative void: because the AI cannot be legally recognized as an author, the resulting musical composition is instantly orphaned at the moment of its creation, entirely detached from the protective mechanisms of Law No. 28 of 2014.

This domestic statutory paralysis mirrors a fierce, polarized discourse within contemporary global legal scholarship. Anthropocentric purists, such as Craig and Kerr, argue vehemently that injecting non-human entities into the copyright sphere fatally compromises the philosophical justification of intellectual property; thus, they advocate that AI-generated works must instantly and permanently fall into the public domain to preserve human dignity in art.¹⁷ This purist position is heavily reinforced by international jurisprudence, most notably in the United States District Court ruling in *Thaler v. Perlmutter*, where the judge categorically denied copyright registration for an autonomous AI artwork, cementing human authorship as a fundamental constitutional requirement for copyright eligibility.¹⁸ Conversely, utilitarian pragmatists like Bulat argue that denying intellectual property protection to algorithmic outputs severely stifles digital economic growth and removes the financial incentives necessary for technological investment, suggesting instead that authorship should be legally fictioned to the human programmer or prompt-engineer.¹⁹

¹⁵ Dewa Ayu Made Vidha Kanya Dhaniswari and Made Aditya Pramana Putra, "Hak Cipta Terhadap Karya Yang Dihasilkan Oleh Kecerdasan Buatan," *Kertha Wicara: Jurnal Ilmu Hukum* 15, no. 2 (2025): 696–706, <https://ejournal4.unud.ac.id/index.php/wicara/article/view/789>.

¹⁶ Gladys Azalia Christi and Diana Tantri Cahyaningsih, "Problematisasi Subjek Hukum Hak Cipta Terkait Status 'Pencipta' Atas Hasil Artificial Intelligence," *Jurnal Ilmiah Wahana Pendidikan* 10, no. 22 (2024): 561–77, <https://doi.org/10.5281/zenodo.14569001%0A>.

¹⁷ Craig and Kerr, "The Death of the AI Author."

¹⁸ Saleh Al-Sharieh, "Copyright Denied for Generative AI: Remarks on *Thaler v Perlmutter*," *Utrecht Journal of International and European Law* 40, no. 1 (August 21, 2025): 48–54, <https://doi.org/10.5334/ujel.644>.

¹⁹ Bulat, "When It Comes to the Use of AI in the Inventive Process: Is There Room to Confirm the Subjective Inventorship Standard in a World of Objective Patentability Criteria?"

In the context of Indonesian scholarship, this article confirms and significantly extends the findings of Artawijaya and Sari, who dissected the collapse of the "originality principle" under Article 1 of the Copyright Law.²⁰ However, this article argues that the theoretical problem extends far beyond the mere definition of originality. The true constitutional failure lies in the incompatibility of Law No. 28 of 2014 with the fundamental principles of distributive justice and utilitarian intellectual property theory. Classical IP protection theories posit that exclusive rights are granted to stimulate intellectual resource creation and ensure fair economic compensation for the creator's labor.²¹ Yet, when applying this utilitarian justification to AI-generated songs, the regulatory framework implodes. Without a legally recognized human author, the distributive justice mechanism loses its recipient subject. The law fails to provide legal certainty regarding who owns the commercial output, resulting in a systemic regulatory vacuum where digital platforms and operators can commercially exploit AI-generated music while operating outside the legal boundaries of the copyright regime. Therefore, it is clear that the anthropocentric rigidity of the current Indonesian Copyright Law is fundamentally inadequate to govern the realities of algorithmic creation, necessitating a profound doctrinal shift from merely identifying the "author" to regulating the commercial exploitation of the "asset."

2. The Collapse of Moral and Economic Rights Attribution in Digital Algorithmic Monetization

The absolute statutory requirement of human authorship directly precipitates a cascading failure in the operational mechanisms designed to protect a creator's moral and economic rights. Within the civil law tradition adopted by Indonesia, Law Number 28 of 2014 structurally bifurcates copyright into moral rights (Article 5) and economic rights (Articles 8 and 9). Moral rights—the perpetual rights of attribution and integrity—are deeply rooted in the Hegelian personality theory of property, reflecting the intrinsic emotional and reputational bond between a human creator and their intellectual output.²² Consequently, when a musical composition is generated autonomously by an algorithmic system devoid of personality, honor, or reputation, the attribution of moral rights

²⁰ Artawijaya and Sari, "Analisis Asas Orisinalitas Dalam Pasal 1 Undang – Undang No. 28 Tahun 2014 Tentang Hak Cipta Terhadap Karya Yang Dihasilkan Oleh Artificial Intelligence."

²¹ Ginsburg and Budiardjo, "Authors and Machines."

²² Peter DiCola, "Music Copyright," in *Research Handbook on the Economics of Intellectual Property Law* (Edward Elgar Publishing, 2019), 564–578, <https://doi.org/10.4337/9781789903997.00070>.

encounters an absolute normative dead-end. As Utami et al. and Shelina have critically observed in the Indonesian context, it is a theoretical impossibility to attach moral rights to AI due to its inherent lack of legal subjectivity.^{23,24} There is no human name to be legally attributed as the creator, nor is there any personal reputation to be defended against digital distortion or modification.

While the collapse of moral rights presents a theoretical dilemma regarding artistic integrity, the corresponding collapse of economic rights attribution generates immediate and severe commercial disruptions in the digital monetization ecosystem. Economic rights serve as the legal foundation for commercial exploitation, authorizing the reproduction, distribution, and broadcasting of a work for financial gain. Under Articles 87 through 93 of Law No. 28 of 2014, the collection and distribution of streaming royalties are exclusively managed by Collective Management Organizations (CMOs).²⁵ However, this centralized royalty mechanism operates on a strict prerequisite: the explicit identification of a legal rights holder. As demonstrated by Saputra et al., the entire architecture of commercial royalty payments is legally paralyzed when the subject entitled to receive the economic benefits cannot be identified.²⁶

The absence of an identifiable human creator in AI-generated songs creates a severe regulatory vacuum that digital platforms actively exploit. Currently, autonomous AI-generated music is routinely uploaded to global streaming platforms, generating substantial advertising revenue and streaming royalties. Yet, because the algorithm cannot legally hold economic rights and the law does not recognize the AI developer or user as the automatic author, the revenue generated exists outside the regulated copyright framework. This situation not only causes the CMO royalty system to malfunction but also enables unjust enrichment by digital platforms operating without transparent licensing obligations.

²³ Utami, Mandala, and Darwati, "Aspek Legalitas Atas Hak Moral Dan Hak Ekonomi Dalam Pembuatan Musik Dari Generator Music AI."

²⁴ Shelina, "Hak Cipta Atas Lagu Yang Dihasilkan Artificial Intelligence: Kepemilikan Dan Pertanggungjawaban Atas Pelanggaran Dalam Regulasi Hak Cipta Indonesia."

²⁵ Felicia Margaret et al., "Hak Cipta Dalam Sorotan: Gugatan VISI Dan Tantangan Hukum Di Industri Musik," *Anthology: Inside Intellectual Property Rights* 3, no. 1 (May 15, 2025): 223–242, <https://ojs.uph.edu/index.php/Anthology/article/view/9814>.

²⁶ Egi Rekso Saputra, Fahmi Fahmi, and Yusuf Daeng, "Mekanisme Pembayaran Royalti Untuk Kepentingan Komersial Berdasarkan Undang-Undang Nomor 28 Tahun 2014 Tentang Hak Cipta," *Jurnal Pendidikan Tambusai* 6, no. 3 (July 2, 2022): 13658–378, <https://doi.org/10.31004/jptam.v6i3.4490>.

To systematically illustrate the depth of this regulatory vacuum, the following table maps the specific dimensions of the normative void and its compounding legal implications in the digital realm:

Table 1. Matrix of the Normative Void and Commercial Implications for AI-Generated Music in Indonesia

Dimension of Normative Void	Statutory Barrier (Law No. 28/2014)	Legal & Commercial Implications in the Digital Realm
Creator Definition	Article 1(2) restricts authorship strictly to human individuals.	AI works fall into a legal gray area; neither the AI, the programmer, nor the user possesses automatic legal claim to the work.
Economic Rights & Royalties	Articles 8 & 9 mandate economic rights exclusively to the recognized creator.	CMOs are unable to collect or distribute royalties; platforms monetize AI content without clear legal obligations to pay originators.
Moral Rights Attribution	Article 5 attaches moral rights permanently to the creator's personal honor.	Absolute inability to legally protect the integrity of the work or enforce attribution against digital distortion.
Enforcement Mechanisms	Civil/criminal sanctions presume a human victim (rights holder).	Jurisdictional and evidentiary paralysis; no legal standing for developers to sue platforms for unauthorized digital streaming.

The synthesis of these normative failures confirms that the current legal framework is entirely unequipped to manage the realities of algorithmic monetization. The law's inability to decouple the economic commercialization of a song from the biological requirement of authorship creates an unsustainable imbalance. While anthropocentric purists may argue that such works belong in the public domain, this approach completely ignores the immense financial capital invested in AI development and the massive revenue circulating on digital platforms. Thus, a regulatory intervention is urgently required to close this protection gap—not by granting legal personhood to AI, but by restructuring the mechanisms of economic attribution.

3. Restructuring Digital Royalty Distribution: Adapting the Work-Made-for-Hire Doctrine as a Global Lesson

The persistent malfunction of moral and economic rights attribution necessitates a radical departure from conventional copyright dogmas. Evaluating the "effectiveness" of Law No. 28 of 2014 in protecting AI-generated songs, as demonstrated in the previous sections, reveals a fundamental systemic paralysis rather than a mere implementation flaw. The law's inability to identify a rights holder renders the traditional Collective Management Organization (CMO) royalty system utterly inoperable. If this regulatory vacuum is permitted to persist, digital platforms will continue to monopolize the commercial exploitation of AI music with total impunity, effectively dismantling the

economic incentives required for technological investment in the creative industry. Therefore, resolving this crisis demands a prescriptive legal restructuring that transcends the boundaries of domestic jurisdiction and contributes to the global intellectual property discourse.

In confronting this deadlock, this article engages critically with the *utilitarian pragmatists* camp, particularly aligning with the premise advanced by scholars like Bulat, who argues that denying copyright to algorithmic outputs stifles digital economic growth.²⁷ However, this article rejects the simplistic proposition of merely fictioning the AI itself as an author, as such an approach irreparably violates the constitutional dignity of human rights. Instead, this study proposes a bifurcated regulatory model: preserving moral rights exclusively for human creators while legally decoupling economic rights through a statutory adaptation of the *work-made-for-hire* doctrine.

Originally entrenched within common law jurisdictions, particularly under Section 201(b) of the United States Copyright Act of 1976, the *work-made-for-hire* doctrine establishes a legal fiction where the employer or commissioning party—not the actual biological creator—is deemed the author for statutory purposes, thereby instantly vesting all economic rights in that corporate or human entity.²⁸ By transplanting and adapting the philosophical core of this doctrine into the Indonesian civil law framework, lawmakers can resolve the AI attribution crisis. In this proposed restructuring, the autonomous AI system is functionally treated as the "employee" (the non-human executor of the task), while the human prompt-engineer or the AI developer is legally designated as the "employer" (the statutory rights holder).

This statutory adaptation directly cures the royalty distribution paralysis identified by Saputra et al., who correctly asserted that the CMO mechanism fundamentally requires a designated rights holder to function.²⁹ By legally fictioning the human operator as the initial holder of economic rights under the *work-made-for-hire* framework, the law creates a legitimate legal subject capable of registering the work, issuing licenses, and receiving streaming royalties from digital platforms. Crucially, because this doctrine strictly regulates economic commercialization, it avoids the philosophical quagmire of moral

²⁷ Bulat, "When It Comes to the Use of AI in the Inventive Process: Is There Room to Confirm the Subjective Inventorship Standard in a World of Objective Patentability Criteria?"

²⁸ Jane C. Ginsburg, "The Concept of Authorship in Comparative Copyright Law," *DePaul Law Review* 52, no. 4 (2003): 1085–88, <https://via.library.depaul.edu/law-review/vol52/iss4/3>.

²⁹ Saputra, Fahmi, and Daeng, "Mekanisme Pembayaran Royalti Untuk Kepentingan Komersial Berdasarkan Undang-Undang Nomor 28 Tahun 2014 Tentang Hak Cipta."

rights—the AI acquires no reputation, and the human operator is recognized purely as the economic proprietor of the digital asset, not its biological author.³⁰

Ultimately, adapting the *work-made-for-hire* doctrine provides a globally resonant lesson. It offers a pragmatic, utilitarian compromise that satisfies the anthropocentric purists (by denying moral rights to machines) while simultaneously answering the demands of the digital economy (by securing economic rights and royalty distributions for human operators). For Indonesia, amending Law No. 28 of 2014 to incorporate this specific algorithmic economic attribution will restore legal certainty to CMOs, prevent unjust enrichment by global streaming aggregators, and establish a resilient regulatory architecture capable of governing the future of generative artificial intelligence.

C. CONCLUSION

The strict anthropocentric paradigm embedded within Law Number 28 of 2014 fundamentally paralyzes the digital monetization ecosystem, as the absolute requirement for human authorship creates a severe normative void that precludes autonomous AI-generated music from acquiring moral or economic rights. Consequently, the absence of a legally recognized rights holder dismantles the operational capacity of Collective Management Organizations (CMOs), permitting digital streaming platforms to unjustly exploit algorithmic musical compositions without equitable royalty distribution. To resolve this critical regulatory deadlock, the Indonesian copyright regime must transcend its statutory rigidities by adapting the *work-made-for-hire* doctrine to legally decouple economic commercialization from biological authorship. By legally fictioning the human prompt-engineer or AI developer as the exclusive statutory holder of economic rights while permanently denying moral rights to the machine, lawmakers can guarantee fair commercial compensation and restore legal certainty to the modern creative economy.

REFERENCES

- Al-Sharieh, Saleh. "Copyright Denied for Generative AI: Remarks on Thaler v Perlmutter." *Utrecht Journal of International and European Law* 40, no. 1 (August 21, 2025): 48–54. <https://doi.org/10.5334/ujiel.644>.
- Artawijaya, Randy, and Dyah Permata Budi Sari. "Analisis Asas Orisinalitas Dalam Pasal 1 Undang – Undang No. 28 Tahun 2014 Tentang Hak Cipta Terhadap Karya Yang Dihasilkan Oleh Artificial Intelligence." *Jurnal Sosial Teknologi* 5, no. 12 (December 16, 2025): 4287–95. <https://doi.org/10.59188/jurnalsostech.v5i12.32572>.
- Atilla, Söğüt. "Dealing with AI-Generated Works: Lessons from the CDPA Section 9(3)."

³⁰ Craig and Kerr, "The Death of the AI Author."

- Journal of Intellectual Property Law and Practice* 19, no. 1 (January 31, 2024): 43–54. <https://doi.org/10.1093/jiplp/jpad102>.
- Bulat, Nataliia. “When It Comes to the Use of AI in the Inventive Process: Is There Room to Confirm the Subjective Inventorship Standard in a World of Objective Patentability Criteria?” *The Journal of World Intellectual Property*, March 30, 2026. <https://doi.org/10.1111/jwip.70019>.
- Christi, Gladys Azalia, and Diana Tantri Cahyaningsih. “Problematika Subjek Hukum Hak Cipta Terkait Status ‘Pencipta’ Atas Hasil Artificial Intelligence.” *Jurnal Ilmiah Wahana Pendidikan* 10, no. 22 (2024): 561–77. <https://doi.org/10.5281/zenodo.14569001%0A>.
- Craig, Craig, and Ian Kerr. “The Death of the AI Author.” *Osgoode Hall Law Journal* 58, no. 1 (2021): 31–35. https://digitalcommons.osgoode.yorku.ca/scholarly_works/2985/.
- Dhaniswari, Dewa Ayu Made Vidha Kanya, and Made Aditya Pramana Putra. “Hak Cipta Terhadap Karya Yang Dihasilkan Oleh Kecerdasan Buatan.” *Kertha Wicara: Journal Ilmu Hukum* 15, no. 2 (2025): 696–706. <https://ejournal4.unud.ac.id/index.php/wicara/article/view/789>.
- DiCola, Peter. “Music Copyright.” In *Research Handbook on the Economics of Intellectual Property Law*, 564–578. Edward Elgar Publishing, 2019. <https://doi.org/10.4337/9781789903997.00070>.
- Djumhana, Muhamad, and Djubaedillah. *Hak Milik Intelektual: Sejarah, Teori Dan Prakteknya Di Indonesia*. 1st ed. Bandung: Citra Aditya Bakti, 1997.
- Gervais, Daniel. “The Machine as Author.” *Iowa Law Review* 105, no. 5 (2020): 2060–65. <https://scholarship.law.vanderbilt.edu/faculty-publications/1164/>.
- Ginsburg, Jane C. “The Concept of Authorship in Comparative Copyright Law.” *DePaul Law Review* 52, no. 4 (2003): 1085–88. <https://via.library.depaul.edu/law-review/vol52/iss4/3>.
- Ginsburg, Jane C., and Luke A. Budiardjo. “Authors and Machines.” *Berkeley Technology Law Journal* 34, no. 2 (2019): 345–48. https://scholarship.law.columbia.edu/faculty_scholarship/2323/.
- Hutchinson, Terry. “Doctrinal Research.” In *Research Methods in Law*, 8–38. London: Routledge, 2025. <https://doi.org/10.4324/9781032710372-2>.
- Indonesia. “Undang-Undang (UU) Nomor 28 Tahun 2014 Tentang Hak Cipta,” 2014. <https://peraturan.bpk.go.id/Details/38690/uu-no-30-tahun-2009>.
- Margaret, Felicia, Angelia Laksana, Yolanda Yuliani Pradigdo, and Fajar Sugianto. “Hak Cipta Dalam Sorotan: Gugatan VISI Dan Tantangan Hukum Di Industri Musik.” *Anthology: Inside Intellectual Property Rights* 3, no. 1 (May 15, 2025): 223–242. <https://ojs.uph.edu/index.php/Anthology/article/view/9814>.

- Mycka, Jan, and Jacek Mańdziuk. "Artificial Intelligence in Music: Recent Trends and Challenges." *Neural Computing and Applications* 37, no. 2 (January 16, 2025): 801–39. <https://doi.org/10.1007/s00521-024-10555-x>.
- Saputra, Egi Rekso, Fahmi Fahmi, and Yusuf Daeng. "Mekanisme Pembayaran Royalti Untuk Kepentingan Komersial Berdasarkan Undang-Undang Nomor 28 Tahun 2014 Tentang Hak Cipta." *Jurnal Pendidikan Tambusai* 6, no. 3 (July 2, 2022): 13658–378. <https://doi.org/10.31004/jptam.v6i3.4490>.
- Shelina, Theodora. "Hak Cipta Atas Lagu Yang Dihasilkan Artificial Intelligence: Kepemilikan Dan Pertanggungjawaban Atas Pelanggaran Dalam Regulasi Hak Cipta Indonesia." *ALSA LC UGM Law Journal* 6, no. 1 (2025): 64–76. <https://journal.ugm.ac.id/v3/ARJUNA/article/view/26273>.
- USA. "Stephen Thaler v. Shira Perlmutter, Register of Copyrights and Director of the United States Copyright Office, Civil Action No. 22-1564 (BAH), United States District Court for the District of Columbia," 2023. <https://www.wipo.int/wipolex/en/judgments/details/1840>.
- Utami, Lili Sekararum, Subianta Mandala, and Darwati Darwati. "Aspek Legalitas Atas Hak Moral Dan Hak Ekonomi Dalam Pembuatan Musik Dari Generator Music AI." *Jurnal Pendidikan Indonesia* 6, no. 7 (July 8, 2025): 2925–41. <https://doi.org/10.59141/japendi.v6i7.8114>.