One Nation One Licence – India’s Proposed Framework to Balance AI Innovation and Copyright

December 10, 2025 • vajiramandravi.com

One Nation One Licence Latest News

- With the rapid rise of Artificial Intelligence (AI) and Large Language Models (LLMs) like ChatGPT, concerns have intensified over the use of **copyrighted content for AI training** without consent or remuneration.
- Globally, this has triggered litigation, policy debates, and regulatory uncertainty due to intersection of technology, IPR, innovation, and regulation; the role of the State in rate regulation and compulsory licensing.
- In this backdrop, a Department for Promotion of Industry and Internal Trade (DPIIT)-led committee has released a working paper proposing a **statutory licensing framework** to balance AI innovation with copyright protection in India.

Key Proposal – ‘One Nation, One Licence, One Payment’

- **Mandatory blanket licence for AI training:**
    - All AI developers must pay royalties for using copyrighted works in AI training.

    - No opt-out mechanism for freely available online content.
    - Model inspired by compulsory licensing in radio broadcasting under Indian copyright law.
- **Rejection of voluntary licensing:**
    - The committee rejects bilateral licensing deals (e.g., OpenAI–Associated Press).
    - **Reasons** are high transaction costs, unequal bargaining power, and marginalisation of small creators and startups.
    - Voluntary licensing is seen as favouring big tech and big publishers only.

Institutional Mechanism – CRCAT

- A new umbrella **non-profit body** (Copyright Royalties Collective for AI Training [CRCAT]) to be established under the **Copyright Act, 1957**.
- **Functions** of the body include collecting royalties from AI companies, distributing proceeds among copyright holders, etc.
- **Membership**: Only organisations (not individuals), one member per class of work.
- Coverage can expand gradually to unorganised sectors.

Royalty Determination Framework

- **Government-appointed rate-setting committee:**
    - **Composition**: Senior government officers, legal experts, economic and financial experts, AI and emerging technology experts, AI developers' and CRCAT representatives.
    - **Powers:** Fix fair, transparent, predictable rates; review rates every three years; decisions subject to judicial review.
- **Likely pricing model:**
    - Flat rate preferred initially.
    - Royalty as a percentage of gross global revenue earned from commercialised AI systems (excluding taxes).

Retroactive Application of Royalties

- **Royalties to apply retrospectively:** AI developers already using copyrighted works and earning revenue must pay past dues.
- **Justification:**
    - Ensures fairness and accountability.
    - Not punitive, but corrective to restore balance in the creative ecosystem.

Transparency and Burden of Proof

- **Data disclosure by AI developers:**
    - Mandatory submission of a 'Sufficiently Detailed Summary' of datasets used.
    - Includes:
        - Type of data (text, image, music, audiovisual)

        - Source (social media, publications, libraries, public datasets, proprietary data)
        - Nature of data usage
- **Distribution of royalties:** CRCAT to distribute funds proportionally based on extent of usage, heavily used categories (news, music, audiovisual) receive higher shares.
- **Legal presumption:** In litigation, content owners claim it is presumed valid. Burden shifts to AI developers to disprove misuse or non-payment.

Stakeholder Responses

- **Supporters (Committee view):**
    - Ensures non-discriminatory access to training data
    - Prevents concentration of royalties among a few big players
    - Creates a predictable legal environment for AI development
- **Opponents:**
    - **NASSCOM:**
        - Calls forced royalties a “tax on innovation”
        - Supports opt-out mechanisms for content creators
- **Creative industry concerns:**
    - Government-fixed rates are globally unprecedented
    - Fear undervaluation of premium content

Challenges in the Proposed Framework and Way Forward

- **Risk of over-regulation stifling AI innovation**: Ensure robust stakeholder consultation.
- **Administrative complexity in royalty distribution**: Fine-tune royalty rates to avoid discouraging AI startups.
- **Resistance:** From both AI firms (cost burden) and content creators (flat-rate concerns). Strong judicial oversight to prevent arbitrariness.
- **India becoming a global outlier in AI copyright regulation**: Harmonisation with global AI governance norms.

Conclusion

- India’s proposed mandatory blanket licensing regime for AI training represents a **bold and interventionist approach** to reconciling innovation with copyright protection.
- By institutionalising royalty payments through a statutory mechanism, the Centre aims to **ensure equitable compensation** for creators while maintaining open access to training data for AI developers.
- The success of this model will ultimately depend on rate rationality, transparency, and adaptive governance, making it a critical test case for AI regulation in the Global South.

Source: TH | IE
