

Indo-US Working Group Convening on AI and Copyright

Meeting Notes

Convened by:

The Dialogue and
Information Technology and
Innovation Foundation (ITIF)

Scope:

AI and Copyright |
Perspectives from India and
the United States



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01 | INTRODUCTION

The Indo-US Working Group convened on AI and Copyright to map the landscape of stakeholder perspectives on one of the most contested intersections in technology policy today: the use of copyrighted material in training artificial intelligence systems. The session brought together industry leaders, legal scholars, and policy experts to evaluate contemporary developments at the intersection of generative AI and IP law. The aim was not to arrive at consensus, but to surface areas of alignment and divergence and to chart a path forward that is both innovation-friendly and respectful of creators' rights.

Across the board, participants acknowledged that the existing legal and licensing architecture is struggling to keep pace with AI's rapid development. The discussion revolved around appropriate regulatory mechanisms, the role of the market versus the state, the framing of harm, and the question of who ultimately benefits from any framework that is put in place.

02 | BACKGROUND: THE REGULATORY MOMENT

The meeting took place against the backdrop of one of the most significant AI copyright proposals to emerge from India. In December 2025, India's Department for Promotion of Industry and Internal Trade (DPIIT) released a Working Paper proposing a mandatory blanket licensing framework for AI training on copyrighted material, formally titled "One Nation, One Licence, One Payment." The proposal, prepared by a DPIIT-constituted committee, rejected both the zero-price Text and Data Mining (TDM) exceptions favoured by the technology industry and traditional voluntary licensing preferred by creators. In their place, it proposed a hybrid model with three core features: a mandatory blanket licence granting AI developers the right to use all lawfully accessed copyrighted content for training, with no opt-out available to rights-holders; revenue-share royalties triggered upon commercialization of an AI tool, calculated as a percentage of global gross revenue; and a centralized collection body called the Copyright Royalties Collective for AI Training (CRCAT) that would collect royalties from AI developers and distribute them to creators. AI developers would additionally be required to submit an AI Training Data Disclosure Form detailing the datasets used.

This proposal is unfolding alongside live litigation. The Delhi High Court is currently examining the ANI Media v. OpenAI case, with judgment reserved since March 2026, a ruling that may produce India's first substantive judicial guidance on AI training and copyright, and could materially affect the urgency and direction of the legislative process.

The bilateral context adds further weight to these questions. A Bilateral Trade Agreement (BTA) is currently under negotiation between India and the United States, with digital trade chapters remaining an area that requires further refinement. Mechanisms like TRUST have already elevated AI and compute infrastructure as priorities within the India-US relationship, providing a geopolitical frame through which copyright and training data questions must also be read.

O3 | KEY THEMES AND DISCUSSION

3.1 The DPIIT Mandatory Licensing Proposal: Broad Opposition, Specific Concerns

The DPIIT's proposed mandatory blanket licensing framework was a central focus of the discussion and was met with strong, cross-industry opposition. Participants from the technology sector, including both platform companies and AI developers, registered clear objections, as did creative voices, signalling that the proposal has managed the unusual feat of drawing opposition from both sides of the creator-developer divide.

The structural dimensions of the proposal were also flagged. Participants noted that no harm has yet been formally recognized or demonstrated through judicial or legislative process in a manner that would provide the evidentiary foundation for such a sweeping intervention. Copyright law frameworks generally require demonstrable harm before imposing significant new obligations on users of protected material and the current state of Indian and global jurisprudence has not yet reached that threshold.

The proposal's framing as a hybrid licensing model attracted particular critique. Hybrid licensing, combining mandatory access with royalty payment, was described as roundly opposed across the spectrum of participants, including by creative voices who might otherwise be expected to support compensation mechanisms. The concern was not just economic but structural: mandatory licensing, as designed, may serve the interests of aggregating intermediaries more than individual creators.

3.2 Global Revenue, Commercialization, and Definitional Ambiguities

The proposal's use of global gross revenue as the basis for royalty calculation attracted pointed criticism. For companies with complex, multi-jurisdictional structures, calculating and attributing global revenue to a specific national market is both legally contested and practically unwieldy.

Further, the question of what constitutes "commercialization" also generated significant discussion. The DPIIT proposal triggers royalty obligations upon commercialization of an AI tool but the boundaries of that term are far from clear. When a model trained on copyrighted content is integrated into a product or service, at what point does training use become commercial exploitation? Is an API commercial? A free-to-use model with a premium tier? A research model later adapted for commercial deployment? These are not abstract questions; the answers will determine who owes royalties, to whom, and when and the current proposal does not resolve them with sufficient clarity.

The spillover effects of a broadly defined mandatory licensing regime were also noted. Obligations that appear targeted at large AI companies may, in practice, sweep in a much wider range of actors such as researchers, academic institutions, startups, through poorly drawn thresholds or definitions.

3.3 Harm, Displacement, and the Idea-Expression Distinction

A substantive legal debate emerged around the framing of harm in AI copyright cases. Courts have typically assessed harm through the lens of displacement; whether an AI-generated output reduces demand for the original copyrighted work. Participants noted that displacement, as a legal test, may be the wrong frame for the AI training context, because the harm experienced by creators is not primarily about direct output competition, but about the absence of compensation for the use of their work as training input. However, the solution being proposed around mandatory licensing does not cleanly map onto the displacement test that courts are currently applying, which creates a doctrinal mismatch at the heart of the framework.

The idea-expression distinction, a foundational principle of copyright law, was also raised. Copyright protects specific expression, not underlying ideas, patterns, or information. AI systems trained on large corpora learn correlations and statistical patterns rather than reproducing specific expressions. This complicates the application of traditional copyright doctrine and raises the question of whether existing legal categories are adequate, or whether an AI-specific framework is genuinely needed.

3.4 Who Does the Framework Actually Serve?

One of the more pointed interventions in the discussion concerned the ultimate beneficiaries of the proposed licensing framework. Copyright law, as currently constituted, often ends up primarily benefitting intermediaries like publishers, aggregators, collective societies, rather than the individual creators whose work is ostensibly being protected.

The question was asked directly: does this proposal result in money going back to the rightful creators? The answer, participants suggested, is far from assured. The design of the CRCAT collection and distribution architecture in its current proposed form does not allow confidence in equitable outcomes.

3.5 Licensing Models: Market Solutions vs. Mandatory Frameworks

There was deep divergence on the appropriate mechanism for resolving the AI-copyright tension, and this was perhaps the sharpest line of disagreement in the discussion.

Industry participants, broadly and across companies, expressed strong support for free market licensing approaches, under which companies negotiate individual or collective licenses with rights-holders at prices determined by market dynamics. The argument is that markets are more efficient and flexible than regulatory mandates; they can accommodate the enormous variety of content types and use cases, and do not require governments to make determinations about what content is worth. Some participants noted that pure market solutions require the creation of appropriate infrastructures that propel such practices.. The music industry's experience in the US was cited as an example where licensing infrastructure led to market-based licensing being workable at scale. This suggests that a market-led approach requires some degree of institutional scaffolding.

African and Latin American copyright regimes were briefly noted as providing alternative reference points, with some jurisdictions exploring nodal or collective licensing models that prioritise structured value transfer. While such models face scalability constraints at the national level, they reflect a different set of priorities, centered on demonstrating that value benefit actually reaches creators that deserve consideration in the broader global debate.

3.6 Opt-Out, Robots.txt, and the Scalability Challenge

Although India's DPIIT proposal does not include an opt-out for creators, the proposal for a TDM with opt-out mechanisms was discussed in the broader context of AI training governance and in reference to other jurisdictions.

Herein, the robots.txt protocol, through which website owners can signal preferences to web crawlers, was raised as a current baseline tool for signalling content availability, but the discussion acknowledged clearly that the field is rapidly moving beyond robots.txt. More sophisticated, standardized mechanisms are needed: ones that are technically scalable, resistant to circumvention, and comprehensible to rights-holders of varying sizes and technical sophistication.

It was noted that any approach to content signalling or opt-out that is adopted must meet a basic test: it must be operable at the scale of the modern internet, and satisfactory to rights-holders who lack the resources of large publishers or collective societies.

3.7 The Use of Unlawfully Obtained Material

One area of clear and unambiguous agreement in the discussion was opposition to the use of pirated or illegally obtained material in AI training. The principle that AI systems must be trained only on lawfully accessed content was stated explicitly and drew no dissent.

3.8 Sovereign AI capabilities

An important framing dimension emerged around the concept of sovereign AI; the aspiration of India to build domestic AI capabilities and ecosystems rather than remaining dependent on foreign models and infrastructure. Participants noted that regulatory frameworks which unnecessarily complicate the ability to train AI models on locally generated data carry direct consequences for sovereign AI ambitions. Countries that adopt complex frameworks may find that they inadvertently suppress the development of their own startup ecosystems and AI industries, even as they seek to protect creators' rights.

This creates a genuine tension within India's own policy objectives: a mandatory licensing regime that imposes arbitrary costs and compliance complexity may protect some creators' interests while undermining the country's capacity to develop competitive AI models.

04 | AREAS OF ALIGNMENT

The discussion surfaced several points of meaningful convergence:

4.1 Existing copyright principles remain highly relevant and should continue to serve as the foundation for AI-related policymaking.

4.2 Policymakers should avoid interventions that unnecessarily hinder innovation or the development of domestic AI ecosystems.

4.3 Any framework adopted should be scalable, technologically feasible, and capable of implementation across global digital environments.

4.4 The use of unlawfully obtained or pirated materials for AI training should not be endorsed.

4.5 International cooperation and policy dialogue remain essential given the cross-border nature of AI development.

4.6 The use of global gross revenue figures for royalty calculations, under the proposed Indian framework, were broadly seen as practically unworkable.

05 | AREAS OF CONCERN

5.1 Mandatory licensing vs. market-based solutions

The DPIIT's mandatory blanket licensing model was criticized on implementation grounds by technology industry participants who favour free market licensing and TDM exceptions.

5.2 Whether harm has been established

Whether sufficient harm has been demonstrated to justify a mandatory licensing intervention remains legally and empirically contested.

5.3 The role of market environment

Whether a viable market environment exists for market licensing of AI training data and what regulatory intervention is needed to create that environment.

06 | POTENTIAL WAY FORWARD

The discussion suggested several avenues for future engagement:

6.1 Evidence-Based Policymaking

Develop a stronger empirical foundation regarding economic harm, market displacement, and value transfer before introducing major regulatory interventions.

6.2 Interoperable Technical Standards

Explore machine-readable mechanisms, standardized protocols, and other technical solutions that can facilitate rights management at scale.

6.3 Innovation-Friendly Licensing Infrastructure

Encourage experimentation with licensing models that reduce transaction costs while preserving opportunities for startups and smaller innovators.

6.4 Creator-Centric Compensation Frameworks

Ensure that any future compensation mechanisms meaningfully benefit creators rather than primarily intermediaries.

6.5 International Coordination

Strengthen engagement between India, the United States to reduce fragmentation and improve regulatory predictability.

6.6 Balanced Governance

Pursue frameworks that simultaneously support AI innovation, creative industries, competition, and national technology development objectives.

07 | CONCLUSION

The Indo-US Working Group meeting on AI and Copyright surfaced the full complexity of a policy debate that is simultaneously technical, legal, economic, and geopolitical. The DPIIT's "One Nation, One Licence, One Payment" proposal has accelerated that debate considerably, by putting forward one of the most structurally ambitious AI copyright frameworks proposed by any jurisdiction and generating correspondingly strong responses from across the stakeholder landscape.

The disagreements are real and deep. But the meeting also revealed that the space for constructive engagement is larger than the headline conflicts suggest. There is shared recognition that AI development must balance creative interests, shared opposition to the use of unlawfully obtained training data, shared concern about whether existing or proposed mechanisms actually benefit creators rather than intermediaries, and shared interest in frameworks that do not price smaller players out of AI development.

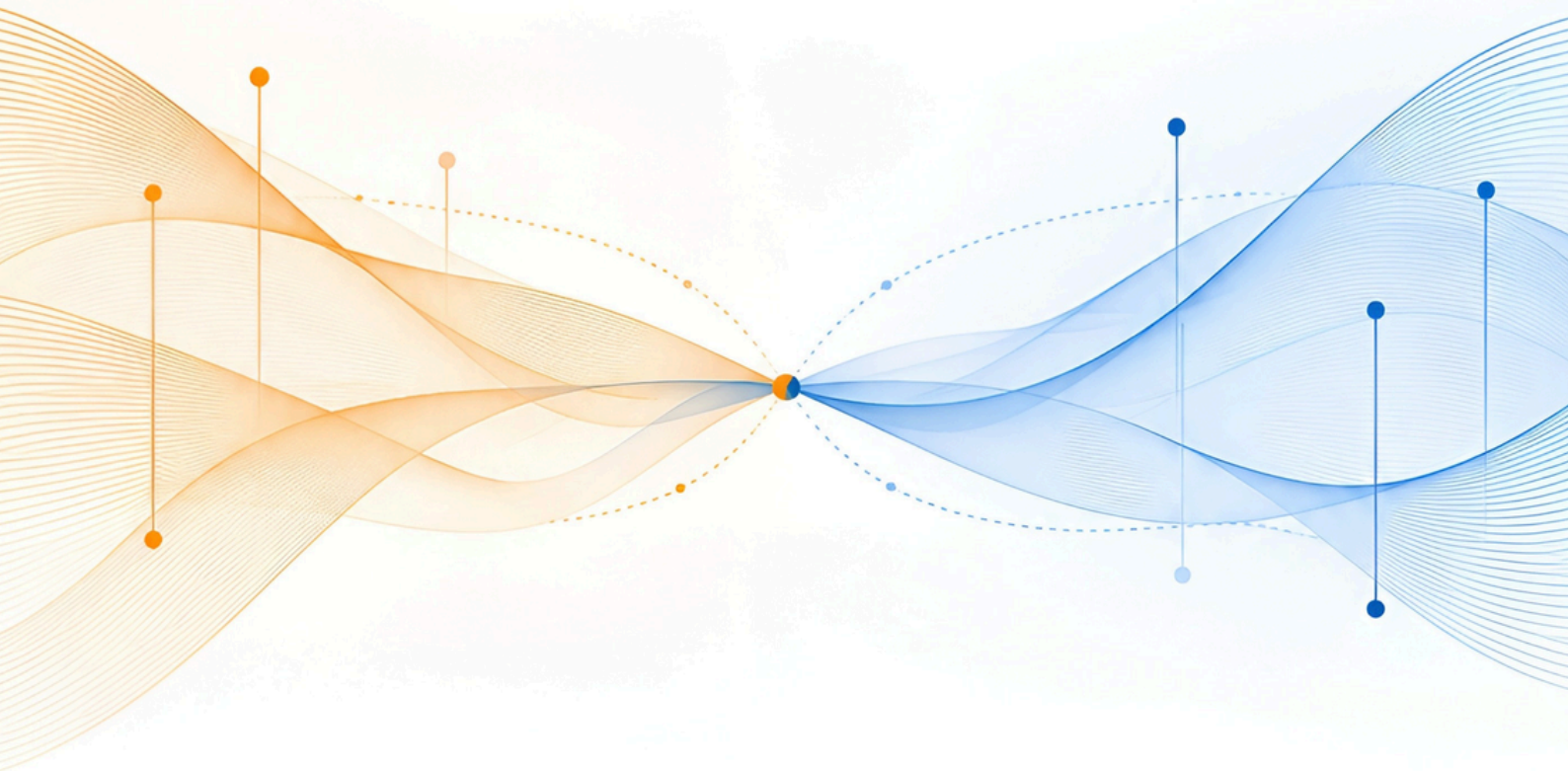
The Working Group's value lies in holding that space open i.e., ensuring that the bilateral conversation on AI and copyright is grounded in evidence, sensitive to the differences between Indian and US legal traditions, attentive to the interests of creators and smaller innovators, and oriented toward frameworks that can function at the scale and pace that AI development demands.

This readout is prepared for internal circulation and reflects the range of perspectives expressed during the Working Group discussion. It does not represent the official position of any individual participant, organization, or government.

INDO-U.S. TECH POLICY WORKING GROUP



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