Blanket Licensing in Indian Copyright Framework: A Study of Legal Validity, Economic Efficiency and User Rights

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Abstract
The rapid expansion of digital media, broadcasting, hospitality services and online content platforms in India has made individual licensing of copyrighted works increasingly impracticable for users requiring access to large repertoires. In this context, blanket licensing by copyright societies has emerged as an important mechanism of collective copyright administration, enabling users to obtain access to a broad repertoire of protected works through a single licence. This paper critically examines blanket licensing in India through three interrelated dimensions—legal validity, economic efficiency and the rights of users—within the framework of the Copyright Act, 1957. It analyses the statutory foundation of collective licensing, particularly Section 33, and the relationship between the licensing authority of copyright societies and the independent rights of authors and copyright owners. From an economic perspective, the paper evaluates the capacity of blanket licensing to reduce transaction costs, simplify rights clearance and facilitate lawful mass use of copyrighted works, while also considering concerns relating to market concentration, bargaining inequality and potentially unreasonable tariff structures. Particular attention is given to the position of users, including issues of tariff transparency, repertoire disclosure, proportionality of licence fees and the availability of flexible alternatives such as usage-based or limited-repertoire licensing. Drawing upon statutory provisions, judicial developments and the functioning of the collective licensing market, the paper argues that although blanket licensing remains an indispensable mechanism for efficient copyright administration, its legitimacy ultimately depends upon transparent tariff-setting, effective regulatory oversight, fair licensing practices and an appropriate balance between adequate remuneration of right-holders and the legitimate commercial interests of users.

Keywords: Blanket Licensing; Copyright Societies; Copyright Act, 1957; Collective Rights Management; Tariff Regulation; Economic Efficiency; User Rights; Collective Licensing

1. Introduction

Copyright law seeks to balance the proprietary interests of authors and copyright owners with the legitimate need of users to access protected works. In industries such as broadcasting, music, hospitality, event management and digital media, individual licensing may become impracticable because a single commercial user may require permission for hundreds or thousands of works. Collective rights management addresses this difficulty by enabling copyright societies to administer rights, grant licences, collect royalties and distribute remuneration among right-holders one of the most important forms of collective licensing is the blanket licence, under which a user obtains access to a broad repertoire of works administered by a copyright society instead of negotiating separately for each work. This arrangement reduces transaction costs, simplifies rights clearance and provides greater legal certainty to users. In India, collective licensing operates principally under Chapter VII of the Copyright Act, 1957 particularly Sections 33 to 35 although the Act does not specifically define every feature of blanket licensing, its operation is shaped by statutory provisions, contractual arrangements, tariff schemes and judicial interpretation the economic efficiency of blanket licensing, however, is accompanied by concerns regarding market power and user protection. Where a copyright society controls a commercially significant repertoire, users may have limited bargaining power over tariffs and licensing conditions. Questions therefore arise concerning tariff reasonableness, repertoire transparency, proportionality of licence fees and the availability of flexible or usage-based alternatives. Smaller commercial users may be particularly affected where broad licensing structures do not adequately reflect the extent of their actual use of copyrighted works.

The present paper examines "Blanket Licensing by Copyright Societies in India: Legal Validity, Economic Efficiency and Rights of Users." It analyses the statutory basis and permissible scope of blanket licensing, its role in reducing transaction costs and facilitating collective copyright administration, and the need to protect users against excessive or opaque licensing practices. The central inquiry is whether the Indian framework achieves an appropriate balance between efficient collective management, adequate remuneration of right-holders and fair access for users.

1. Judicial Foundations of Collective and Blanket Licensing in India

The legal foundation of blanket licensing in India has developed through the interaction of copyright ownership, collective administration and judicial interpretation. Copyright societies may issue licences only in respect of rights lawfully vested in, assigned to, or entrusted to them. Consequently, questions of ownership and entitlement directly determine the scope of a society's licensing repertoire a foundational decision is Indian Performing Right Society Ltd. V. Eastern India Motion Pictures Association (1977) the Supreme Court adopted a producer-oriented interpretation in relation to literary and musical works incorporated into cinematograph films, which significantly affected the ability of composers and lyricists to independently claim royalties through collective management organisations. The decision is important for blanket licensing because it establishes that licensing authority must flow from the ownership or lawful administration of the relevant copyright.

The case also highlighted the layered nature of rights in musical content. A single song may involve separate rights in the lyrics, musical composition, sound recording and cinematograph film. Blanket licensing attempts to simplify this complexity by allowing users to obtain access to large repertoires through collective arrangements, but uncertainty may still arise where different rights are controlled by different right-holders or licensing bodies.

The relationship between Sections 30 and 33 of the Copyright Act, 1957 further shapes collective licensing. Section 30 permits copyright owners or authorised agents to grant licences, while Section 33 regulates the business of issuing or granting licences through copyright societies. The validity of a blanket licence therefore depends not merely upon the existence of a licensing organisation, but upon the extent of the rights it is legally authorised to administer.

The Copyright (Amendment) Act, 2012 strengthened the economic position of authors of literary and musical works incorporated in films and sound recordings and enhanced the importance of copyright societies in royalty collection and distribution. In the post2012 framework, blanket licensing serves not only as a mechanism for efficient rights clearance but also as a means of ensuring that revenues from widespread commercial exploitation reach entitled right-holders.

Thus, the judicial and legislative evolution of collective licensing reveals a continuing need to balance ownership, licensing authority, economic efficiency and user protection.

The legitimacy of blanket licensing ultimately depends upon clear repertoire authority, fair royalty administration and protection of users against excessive, opaque or duplicative licensing demands.

2. Section 18 and the 2012 Amendment: Author-Centric Reform and Its Impact on Blanket Licensing

The Copyright (Amendment) Act, 2012 substantially altered the economic relationship between authors, producers, assignees and copyright societies in India. Before the amendment, the assignment of copyright in literary and musical works incorporated in cinematograph films or sound recordings frequently resulted in authors losing effective control over the subsequent commercial exploitation of their creations. The 2012 reform sought to correct this imbalance by strengthening the continuing royalty interests of lyricists, composers and other authors even after their rights had been assigned.

The amendments to Section 18 of the Copyright Act, 1957 are particularly important in this regard. The provisos introduced to the provision were intended to prevent authors of literary and musical works incorporated in cinematograph films and sound recordings from being deprived of royalties arising from subsequent exploitation of those works. Accordingly, an assignment of copyright does not necessarily extinguish the author's continuing economic interest in future uses. The statutory scheme therefore places limits upon contractual arrangements through which authors might otherwise be required to surrender their entitlement to royalties.

This reform represented a movement away from the predominantly producer-oriented approach that had historically characterised the exploitation of film music. The legislative changes recognised that the commercial value of a film song or musical work may continue long after its original incorporation into a cinematograph film. Such works may subsequently be communicated through radio, television, public performances, digital platforms and other commercial channels. The continued exploitation of those works therefore creates an independent economic value in which authors are entitled to participate.

The 2012 amendment has particular significance for blanket licensing by copyright societies. A blanket licence normally permits a user to access a large repertoire of works administered by a copyright society in return for an agreed tariff or royalty.

The licence fee collected by the society is therefore not merely consideration for granting permission to use the repertoire; it also forms part of the mechanism through which the economic interests of authors and other entitled right-holders are realised. The effectiveness of blanket licensing consequently depends upon a transparent system for collecting, accounting for and distributing royalties generated from the commercial use of protected works the judicial developments referred to in this context further demonstrate the continuing significance of authors' royalty rights. In IPRS v. Rajasthan Patrika, the Bombay High Court recognised the claim of the copyright society in relation to royalties arising from broadcasting and treated the statutory entitlement introduced through Section

18 as continuing notwithstanding an earlier assignment of rights. The decision reinforces the proposition that assignment to a producer or other commercial entity does not necessarily eliminate the author's statutory economic interest in subsequent exploitation.

Similarly, the decision in Shiv Kumar Sharma v. Universal Music India has been relied upon to emphasise the continuing entitlement of authors to royalties arising from newer forms of commercial exploitation, including digital uses. The development is significant because the economic value of copyrighted musical works is no longer confined to traditional public performance or broadcasting. Streaming and other forms of online dissemination have considerably expanded the range of transactions through which copyrighted works generate revenue the decision referred to in Lalit Pandit v. Tips Industries Ltd. Further illustrates the application of royalty-sharing principles in the context of online exploitation. The growing importance of platforms such as Spotify, YouTube and other digital services demonstrates that the rationale underlying the 2012 amendments extends beyond conventional broadcasting. Where copyrighted works continue to generate commercial revenue through different modes of communication, the statutory protection of authors' royalty interests becomes increasingly relevant these developments have important consequences for the economic structure of blanket licensing. Copyright societies aggregate numerous works and negotiate collectively with broadcasters, commercial establishments and digital services. Such aggregation substantially reduces the transaction costs that would arise if every lyricist, composer or other right-holder were required to negotiate independently with every user. At the same time, however, the society must ensure that the revenues obtained through blanket licences are distributed in accordance with the statutory rights of the persons whose works form part of the licensed repertoire.

The 2012 reforms therefore strengthen the justification for collective licensing while simultaneously increasing the responsibilities of copyright societies. Their function cannot be confined to demanding and collecting licence fees from users. Effective collective management requires reliable identification of works, accurate recording of usage, transparent royalty calculations and equitable distribution among entitled rightsholders. Where a blanket tariff covers thousands of works but the distribution mechanism does not adequately reflect actual exploitation, the economic objective of the statutory reform may remain unrealised the author-centric orientation of the 2012 amendment also has implications for users of blanket licences. Users must be able to determine what rights are actually covered by the licence and whether the licensing society possesses authority to administer those rights where different rights in the same song or recording belong to different categories of right-holders, uncertainty may give rise to overlapping or multiple licensing demand transparency regarding repertoire and the nature of the rights represented by each society is therefore essential both for ensuring payment to authors and for protecting users against duplicative liability thus,section 18 Copyright act 1957 and the 2012 amendment represent an important stage in the evolution of Indian collective copyright management. They moved the statutory framework toward greater recognition of the continuing economic interests of authors while reinforcing the role of copyright societies in royalty administration. In the context of blanket licensing, the reform highlights an essential principle: administrative efficiency in licensing must ultimately translate into fair remuneration for right-holders without imposing unclear or disproportionate obligations upon users. The legitimacy of the blanket licensing system therefore depends not merely upon efficient collection of royalties but upon transparent licensing, accurate distribution and an appropriate balance between authors, copyright owners and commercial users.

3. Licensing Power and the Section 30–33 Conflict: Doctrinal Ambiguity and Its Implications for Blanket Licensing

The legal validity of blanket licensing in India is closely connected with the relationship between Sections 30 and 33 of the Copyright Act, 1957. Section 30 permits the owner of copyright, or a duly authorised agent, to grant licences in respect of copyrighted works. Section 33, on the other hand, regulates the carrying on of the business of issuing or granting licences and requires such collective licensing activity to operate through the statutory framework applicable to copyright societies.

The interaction between these provisions has generated considerable judicial disagreement, particularly where an entity claims ownership or assignment of copyright while simultaneously undertaking licensing activities on a systematic and commercial scale the difficulty arises because the two provisions operate at different levels. Section 30 of Copyright act 1957 recognises the proprietary freedom of a copyright owner to commercially exploit the work through licensing, whereas Section 33 seeks to regulate organised licensing activity carried on as a business. In an isolated transaction, the distinction may be relatively clear. However, where an entity acquires or administers a substantial catalogue of works and regularly grants licences to numerous commercial users, the activity begins to resemble collective rights management. This distinction becomes especially significant in the context of blanket licensing, where the licensor offers users access to a large repertoire rather than negotiating separately in respect of individual works.

The decision in Novex Communications Pvt. Ltd. V. Lemon Tree Hotels represents an important stage in the judicial consideration of this conflict. The Delhi High Court accepted the proposition that an entity claiming rights as an

assignee of sound recordings could rely upon Section 30 for licensing without necessarily being registered as a copyright society. The reasoning drew a distinction between the right of an owner or assignee to exploit copyright and the regulated business of collective licensing contemplated by Section 33. Such an interpretation gives substantial importance to the proprietary rights conferred upon an assignee and prevents Section 33 of copyright act 1957 from automatically disabling a copyright owner from granting licences merely because licensing produces commercial revenue.

A different approach emerged in Novex Communications Pvt. Ltd. V. DXC Technology Pvt. Ltd., where the Madras High Court placed greater emphasis upon the nature and scale of the licensing activity. The distinction was drawn between an owner occasionally exercising the statutory power to grant a licence and an entity systematically carrying on licensing as an organised business. Under this interpretation, ownership of copyright does not by itself provide an unrestricted exemption from the regulatory requirements of Section 33 where the commercial activity effectively assumes the character of collective licensing.

The Bombay High Court, in Event and Entertainment Management Association v. Novex, adopted a similarly functional approach to the issue. The significance of the decision lies in its emphasis upon the actual character of the licensing operation rather than merely the formal description adopted by the licensor.

Where an entity acts in relation to rights belonging to several producers or music labels and repeatedly licenses a substantial catalogue to commercial users, its activities may move beyond the ordinary exercise of an individual owner's rights and enter the domain of the "business of licensing" contemplated by Section 33 of Copyright Act 1957 the controversy acquired further importance in Phonographic Performance Ltd. V. Azure Hospitality, where the regulatory role of Section 33 was given substantial weight. On the approach reflected in the material considered here, Section 33 operates as an important limitation upon entities engaged in organised public licensing of musical content, notwithstanding claims based upon ownership or authorisation under Section 30. The broader policy concern underlying such an interpretation is that entities performing functions substantially similar to copyright societies should not be able to avoid the statutory obligations attached to collective rights management merely by structuring their relationship with copyright owners through assignments or agency arrangements these divergent judicial approaches have direct consequences for the legal validity of blanket licences. A blanket licence ordinarily involves repeated commercial transactions covering a substantial repertoire and multiple users. It therefore represents precisely the type of activity in which the boundary between individual copyright licensing and collective licensing becomes difficult to maintain. If Section 30 of Copyright Act 1957 is interpreted broadly, an assignee controlling a large repertoire may potentially issue blanket licences in its own capacity as copyright owner. If Section 33 is given broader regulatory effect, however, systematic repertoire-based licensing may require compliance with the copyright-society framework irrespective of how the licensor obtained the underlying rights. The controversy is also relevant from the perspective of economic efficiency. Permitting repertoire owners or administrators to issue blanket licences can reduce transaction costs and provide commercial users with rapid access to large collections of works. Broad restrictions upon such licensing could increase the number of negotiations required to obtain lawful access. Conversely, allowing large licensing entities to operate outside the regulatory structure applicable to copyright societies may weaken safeguards relating to tariffs, transparency, governance and royalty administration. The question is therefore not merely whether blanket licensing promotes efficiency, but whether that efficiency should be achieved within a regulated collective-management system.

The Section 30–33 of Copyright Act 1957 conflict also has significant implications for users of copyrighted works. Hotels, broadcasters, event organisers, restaurants and other commercial establishments require certainty as to which entity possesses lawful authority to issue a licence. Conflicting claims by copyright societies, assignees and other licensing organisations may expose users to the possibility of multiple demands for payment or subsequent infringement litigation despite having already obtained a licence from one entity. A commercially efficient blanket licensing regime consequently requires not only authority on the part of the licensor but also clarity for the licensee regarding the repertoire covered and the legal status of the licensing organisation.

The continuing divergence therefore reveals a structural weakness in the Indian collective-licensing framework. The statutory distinction between the exercise of an owner's licensing right under Section 30 and the carrying on of licensing as a business under Section 33 requires clearer and more consistent interpretation. This is particularly important for blanket licensing because the mechanism necessarily involves aggregation, repeated transactions and large-scale exploitation of repertoire. Legislative clarification or authoritative judicial determination would help establish when individual licensing becomes collective licensing, what regulatory obligations arise at that stage, and how the interests of right-holders, licensing organisations and commercial users should be reconciled.

Thus, the Section 30–33 controversy lies at the heart of the legal-validity dimension of blanket licensing in India. Unless the scope of permissible licensing authority is clearly defined, the efficiency offered by blanket licences may be accompanied by uncertainty regarding their enforceability and the rights of users who rely upon them. A coherent legal framework must therefore preserve the legitimate licensing freedom of copyright owners while

ensuring that entities effectively operating as collective licensing organisations remain subject to appropriate statutory regulation.

4. Legal Validity and Statutory Framework

The legal validity of blanket licensing in India is rooted in the statutory framework governing copyright societies under Chapter VII of the Copyright Act, 1957. The framework seeks to reconcile two competing considerations: the freedom of copyright owners to exploit their works and the need to regulate entities that undertake licensing on a collective and commercial scale.

In the context of blanket licensing, this distinction is especially significant because such licences ordinarily cover a large repertoire of works and are issued repeatedly to broadcasters, hotels, restaurants, event organisers and other commercial users section 33 Copyright act 1957 constitutes the principal statutory foundation for the organised business of copyright licensing. It restricts the carrying on of the business of issuing or granting licences in respect of copyrighted works except through a copyright society operating within the statutory registration framework. At the same time, the proviso preserves the ability of an individual copyright owner to license his or her own works independently the distinction becomes important where licensing ceases to be an isolated exercise of ownership and assumes the character of a systematic commercial activity involving substantial repertoires and numerous users. Blanket licensing generally possesses these features because it enables a user to obtain permission for a broad collection of works through a single licensing arrangement. Consequently, the legal legitimacy of a blanket licensing system depends substantially upon whether the entity issuing such licences possesses the statutory authority required under Section 33 Copyright act 1957 this regulatory requirement serves an important protective function. Copyright societies occupy a powerful intermediary position between right-holders and users. Bringing collective licensing activities within a statutory framework enables greater supervision over the manner in which licences are granted, tariffs are formulated, royalties are collected and revenues are ultimately distributed among entitled rightsholders.

The registration structure contemplated by Section 33 of copyright act 1957 also reflects an intention to avoid excessive fragmentation of collective rights management. Section 33(3) provides that the Central Government shall ordinarily not register more than one copyright society for carrying on business in respect of the same class of works. The underlying rationale is that excessive multiplication of licensing bodies for identical categories of rights could substantially increase transaction costs and create confusion for commercial users.

This consideration is particularly relevant to blanket licensing. The economic usefulness of a blanket licence lies in its capacity to aggregate a large number of works into a manageable licensing transaction. If rights in the same category were divided among numerous competing licensing entities, users could be required to obtain several overlapping licences, thereby diminishing the efficiency that collective management is intended to produce.

Copyright societies and other repertoire-based licensing organisations therefore perform an important market-coordination function by consolidating rights they enable commercial users to obtain broader access without negotiating separately with every individual copyright owner At the same time, such concentration of repertoire may increase the bargaining strength of the licensing body, making statutory supervision and transparency particularly important from the perspective of users a continuing difficulty in Indian copyright law has concerned entities that acquire rights through assignments or agency arrangements and subsequently issue licences on a large commercial scale without operating as registered copyright societies. Such entities have often relied upon their position as assignees or owners to contend that they may independently license copyrighted works without complying with the collective licensing framework prescribed under Section 33 Copyright Act 1957

This controversy directly affects the validity of blanket licences because an assignee controlling a substantial catalogue may function, in practical terms, in a manner similar to a copyright society. The legal question is therefore whether ownership or assignment alone is sufficient to permit systematic repertoire-based licensing, or whether the nature of the licensing activity itself attracts the regulatory requirements applicable to copyright societies judicial consideration of this question has increasingly focused upon the distinction between the exercise of an individual proprietary right and the organised business of licensing. Decisions involving entities such as Novex Communications and Phonographic Performance Limited have demonstrated the difficulty of drawing a precise boundary between the two. The approach reflected in Azure Hospitality Pvt. Ltd. V. Phonographic Performance Ltd. Emphasised the regulatory importance of Section 33 where licensing activity assumes the character of systematic collective administration. On this reasoning, an entity cannot necessarily avoid the statutory framework merely by describing itself as an assignee or exclusive agent while commercially licensing a broad repertoire to numerous users the underlying policy concern is evident. If entities performing substantially the same functions as copyright societies were permitted to operate outside the statutory regulatory structure, the safeguards associated with collective management could be weakened. Such an arrangement could affect not only right-holders but also commercial users who depend upon clarity regarding the authority of the person issuing the licence.

These statutory and judicial developments demonstrate that the validity of a blanket licence depends upon more than the contractual agreement between licensor and licensee. The licensor must possess lawful authority over the repertoire and, where the activity constitutes the business of collective licensing, must comply with the regulatory requirements prescribed by the Copyright Act for users, this requirement is particularly important. A hotel, broadcaster, restaurant or event organiser purchasing a blanket licence must be able to rely upon the licence as providing lawful access to the repertoire represented by the licensing entity. Uncertainty regarding the legal status of the licensor may expose users to competing royalty demands or subsequent infringement proceedings.
Thus Section 33 Copyright act 1957 performs a dual function in the blanket licensing system. It provides institutional legitimacy to organised collective licensing while simultaneously seeking to protect the market from unregulated licensing practices the effectiveness of blanket licensing in India therefore depends upon a clear distinction between individual licensing and collective licensing as a business, transparent identification of represented repertoire, and effective statutory oversight. Such safeguards are essential if the efficiency benefits of blanket licensing are to coexist with adequate protection of copyright owners and fair treatment of commercial users.

5. Concept and Operation of Blanket Licensing

Blanket licensing is an important mechanism of collective copyright administration under which a user obtains permission to access a substantial repertoire of copyrighted works through a single licence rather than negotiating separately with each copyright owner. It is particularly relevant to industries involving frequent and unpredictable use of protected works, such as radio and television broadcasting, hotels, restaurants, live events, entertainment venues and digital services copyright societies facilitate such licensing by aggregating rights entrusted to them by authors, composers, publishers and other right-holders a commercial user consequently avoids the practical difficulty of identifying and negotiating with numerous copyright owners every time a protected work is used. In return, the copyright society collects licence fees or royalties and distributes the amounts among entitled right-holders according to its governing rules and distribution mechanisms although the Copyright Act, 1957 does not separately define the expression “blanket licence”, the practice operates within the broader statutory framework governing copyright licensing and copyright societies.
Its legitimacy therefore depends upon the authority of the licensing body, the rights forming part of its repertoire and compliance with the statutory requirements governing collective management the principal legal difficulty surrounding blanket licensing arises from the relationship between Sections 30 and 33 of the Copyright Act, 1957. Section 30 recognises the right of a copyright owner, or a duly authorised agent, to grant licences in respect of copyrighted works. Section 33, however, regulates the carrying on of the business of issuing or granting licences and places collective licensing within the statutory framework governing copyright societies.
The distinction is important an individual copyright owner may independently license a work, but an organisation systematically administering a large catalogue and repeatedly licensing that repertoire to numerous users performs a substantially different function. Blanket licensing ordinarily possesses the latter characteristics because the licensor is not merely licensing an isolated work but commercially administering a collection of rights.
The central doctrinal issue is therefore whether an assignee or copyright owner controlling a large catalogue may rely entirely upon Section 30, or whether systematic repertoire-based licensing attracts the regulatory requirements of Section 33. Judicial disagreement on this question has contributed to uncertainty in the Indian licensing market chapter VII of the Copyright Act establishes the institutional framework for copyright societies. Section 33 regulates their registration, while Sections 33A, 34 and 35 address tariff schemes, administration of rights and the control exercised by authors and other right-holders over collective administration this statutory supervision is particularly significant in blanket licensing because copyright societies may control commercially valuable repertoires. Such concentration provides substantial bargaining power when dealing with users. Regulation therefore serves not merely the interests of copyright owners but also the broader objective of ensuring accountability, transparency and fairness in collective licensing.
The statutory preference against registering multiple societies for the same class of works also reflects the economic logic of collective management. Excessive fragmentation would require users to negotiate with numerous organisations, defeating one of the principal purposes of blanket licensing.

6. Judicial Development of Collective Licensing

The Supreme Court’s decision in Indian Performing Right Society Ltd. V. Eastern India Motion Pictures Association remains important in the development of collective copyright licensing in India. The case established that the licensing authority of a copyright society depends upon the rights lawfully vested in or entrusted to it. Questions of ownership, assignment and repertoire therefore directly affect the validity and scope of blanket licences.
Later litigation involving entities such as Novex Communications exposed the continuing tension between Section

30, which permits copyright owners to grant licences, and Section 33, which regulates the business of collective licensing. Courts have differed on whether entities holding assignments may systematically license large repertoires without registration as copyright societies these judicial developments are significant for users because a blanket licence is valuable only when the licensor has clear authority over the repertoire. At the same time, concentration of rights in collective organisations may create substantial market power, raising concerns about tariff reasonableness, discriminatory licensing terms and overlapping demands for different rights in the same musical work.

Accordingly, judicial development in this area reflects the need to balance lawful licensing authority, efficient collective administration and protection of users from uncertain or duplicative liability.

7. Need for Greater Transparency and Regulatory Reform

The future effectiveness of blanket licensing in India requires greater clarity concerning licensing authority, repertoire, tariffs and royalty distribution. The continuing uncertainty surrounding Sections 30 and 33 demonstrates the need for a clearer legal distinction between ordinary licensing by an individual copyright owner and systematic repertoire based licensing carried on as a commercial business.

Copyright societies should also maintain accessible and reasonably comprehensive information concerning the works and categories of rights represented by them. Such disclosure would enable users to determine whether a proposed licence corresponds with their actual requirements tariff-setting should similarly follow transparent and objective considerations. Greater differentiation between large commercial users and smaller establishments, together with appropriate usage-based alternatives where practicable, could preserve the efficiency of blanket licensing while reducing disproportionate burdens.

Finally, effective mechanisms for resolving licensing and tariff disputes are necessary. A collective licensing regime achieves legitimacy only when it protects the economic interests of creators while ensuring that users can obtain licences on transparent, reasonable and legally certain terms. In this respect, blanket licensing should function not merely as a mechanism for royalty collection but as a regulated system of efficient rights clearance, equitable remuneration and fair access to copyrighted works.

8. Collective Administration and Blanket Licensing by Copyright Societies

Copyright societies play an important role in the collective administration and commercial exploitation of copyrighted works. They act as intermediaries between copyright owners and users by administering rights, issuing licences, collecting royalties and distributing the amounts among authors and other rightsholders. One of their principal licensing mechanisms is blanket licensing, under which a user obtains permission to use a defined repertoire of copyrighted works through a single licence instead of negotiating separately with individual copyright owners. This arrangement is particularly useful for hotels, restaurants, shopping malls, clubs, broadcasters and other commercial establishments that regularly use copyrighted music or other protected works. Copyright societies reduce transaction costs, simplify licensing, facilitate royalty collection and make large repertoires accessible to users under Sections 33 and 34 of the Copyright Act, 1957, registered copyright societies administer rights on the basis of written authorisation received from copyright owners. Their functions include issuing licences, determining and collecting licence fees, maintaining records of authorised works and agreements, monitoring the use of copyrighted works and distributing royalties to eligible rightsholders under Section 35, societies must remain accountable to their members, maintain collective control and distribute royalties, as far as possible, according to actual usage. Sections 33A and 36, read with the Copyright Rules, 2013, require tariff publication, financial accountability and regulatory transparency. Societies must also maintain proper royalty and distribution records, provide repertoire information, establish grievance-redressal mechanisms and ensure fair and reasonable licensing practices blanket licensing, however, does not give a society unrestricted authority over every work in a particular category; its licence can cover only works and rights forming part of its authorised repertoire. It is also distinct from compulsory licensing because it operates as a repertoire-based licensing arrangement rather than a statutory compulsory permission.

Ultimately, copyright societies must balance the interests of creators, who deserve appropriate royalties, with those of users, who require transparent tariffs, reliable repertoire information and reasonable licensing conditions.

Conclusion

Blanket licensing has become an essential component of collective copyright administration in India because it enables large-scale users to obtain access to extensive repertoires without negotiating separately with individual right-holders. Its legal legitimacy, however, depends upon strict compliance with the regulatory framework of the Copyright Act, 1957, particularly the provisions governing copyright societies, licensing authority, tariff schemes and administration of rights. The continuing tension between Sections 30 and 33 also demonstrates the need for greater doctrinal clarity regarding the boundary between individual licensing by copyright owners and systematic

collective licensing carried on as a business from an economic perspective, blanket licensing substantially reduces transaction costs, simplifies rights clearance and facilitates efficient commercial exploitation of copyrighted works. At the same time, the concentration of large repertoires in a limited number of licensing organisations may create significant bargaining power and expose users to concerns relating to unreasonable tariffs,lack of transparency and limited licensing alternatives. Economic efficiency alone therefore cannot justify unrestricted collective licensing power the protection of users must remain an integral part of the system. Commercial users should be able to ascertain the repertoire covered by a licence, understand the basis of tariff calculation and rely upon statutory exceptions where applicable. Greater transparency in repertoire management, tariff fixation and royalty distribution is equally necessary to ensure that amounts collected through blanket licences ultimately benefit the authors and right-holders whose works generate such revenue.

Accordingly, the future effectiveness of blanket licensing in India depends upon achieving a careful equilibrium between creator remuneration, administrative efficiency and user protection. A transparent, accountable and proportionate licensing framework can preserve the economic advantages of collective management while preventing excessive concentration of licensing power. Blanket licensing should therefore be viewed not merely as a mechanism for collecting royalties, but as a regulated system of rights clearance whose legitimacy ultimately rests upon fairness to both right-holders and users Blanket licensing enables users to obtain permission to exploit a broad repertoire of copyrighted works through a single licensing arrangement.

Although this mechanism can reduce transaction costs and facilitate the commercial use of protected works, its legal validity in India depends upon the nature of the rights licensed, the authority of the licensor and the statutory framework governing collective rights administration this article examines the interaction between Sections 18, 19, 30, 33, 33A, 34 and 35 of the Copyright Act, 1957, read with the Copyright Rules, 2013. It analyses judicial developments concerning the licensing of sound recordings and the underlying literary and musical works incorporated in them. The article argues that blanket licensing is a contractual licensing mechanism rather than an independent statutory category, and that its validity cannot be assessed without distinguishing copyright ownership from the regulated business of licensing. Through a law-and-economics analysis, it considers the benefits of repertoire aggregation alongside concerns relating to market power, tariff transparency, repertoire uncertainty and bargaining inequality. It proposes clearer rights-specific licensing disclosure, transparent tariff-setting and effective mechanisms for tariff review, grievance redress and royalty distribution.

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