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Royalty Payment Responsibility in Commercial Music Concerts: A Juridical Analysis of Jakarta Central Commercial Court Decision Number 92/Pdt.Sus-HKI/Cipta/2024

Vani Angelina Wilberth^{1*}, Siti Ngaisah²

¹vaniengelina@gmail.com, ²ngaisah@ubhara.ac.id

Universitas Bhayangkara Surabaya

*Corresponding Author: Vani Angelina Wilberth

Email: vaniengelina@gmail.com

ABSTRACT

The commercial music concert industry in Indonesia involves complex legal relationships among creators, performing artists, and concert organizers, particularly with respect to the obligation to pay music performance royalties. This study examines the legal framework governing royalty payment responsibility under Law Number 28 of 2014 concerning Copyright and Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties, and critically evaluates the conformity of Jakarta Central Commercial Court Decision Number 92/Pdt.Sus-HKI/Cipta/2024/PN Niaga Jkt.Pst with those instruments. The study employs a normative juridical method with statutory and case approaches, drawing on primary legal materials and Scopus-indexed secondary sources. The findings indicate that the applicable regulatory framework unambiguously places royalty payment obligations on the concert organizer as the commercial user of copyrighted musical works, not on the performing artist whose remuneration constitutes a service fee rather than proceeds from commercial exploitation. The court's imposition of royalty liability on the singer departs from this statutory scheme, mischaracterizes the legal nature of the performance fee, and undermines the collective management mechanism established under the Copyright Act. This study concludes that judicial clarification, regulatory refinement, and stronger enforcement of pre-event licensing compliance are necessary to restore legal certainty and protect creators' economic rights within Indonesia's music industry.

Keywords: *Collective Management Organization, Commercial Concert, Copyright, Performing Artist, Royalty*

INTRODUCTION

The music industry in Indonesia has undergone considerable growth in recent decades, particularly in the sphere of commercial music concert production, which routinely involves multiple parties including songwriters, performing artists, and event organizers.¹ Commercial music concerts function not only as a medium of public entertainment but also as a significant form of economic activity that generates substantial financial returns for participants across the music industry.² Within the framework of intellectual property law, the organization of commercial music concerts necessarily engages aspects of copyright protection, specifically the economic rights of creators, one of which is realized through the payment of royalties for the use of copyrighted musical works.

Copyright constitutes an exclusive right held by a creator or copyright holder to publish, reproduce, and distribute a work, including the right to present a musical work before the public.³ Law Number 28 of 2014 concerning Copyright (hereinafter referred to as the Copyright Act) provides comprehensive regulation of the protection of creators' economic rights, including the right to receive royalties from every commercial use of their works. Article 9(1) of the Copyright Act stipulates that a creator or copyright holder possesses economic rights with respect to the public performance of a work, and the elucidation of that provision further establishes the right to obtain economic compensation in the form of royalties.⁴ In this regard, the legal protection of creators' economic rights through a robust royalty payment mechanism constitutes a foundational principle of copyright law and is integral to sustaining creative output in the music industry.⁵

The payment of music performance royalties in commercial concerts involves a complex legal relationship among three principal parties: the songwriter as the copyright holder entitled to receive royalties; the singer or performing artist who renders the song in performance; and the concert organizer who orchestrates the event and derives financial benefit from it. Article 1(21) of the Copyright Act defines royalty as compensation for the use of the economic rights of a work, payable to the creator or copyright holder.⁶ In practice, however, considerable ambiguity persists regarding which party bears legal responsibility for paying

¹ Roxanne Akil, Nikita Rasyidin, and Desideria Lumongga Dwihadiah, "Mediatized World in Digital Music Industry: Transformations, Challenges, and Opportunities - A Study in Indonesia," *Daengku: Journal of Humanities and Social Sciences Innovation* 4, no. 3 (May 9, 2024): 443–49, <https://doi.org/10.35877/454RI.daengku2549>.

² Qian Zhang and Keith Negus, "Stages, Platforms, Streams: The Economies and Industries of Live Music after Digitalization," *Popular Music and Society* 44, no. 5 (October 20, 2021): 539–57, <https://doi.org/10.1080/03007766.2021.1921909>.

³ Pemerintahan Republik Indonesia, "UU No. 28 Tahun 2014 Tentang Hak Cipta," Sekretariat Negara § (2014).

⁴ Pemerintahan Republik Indonesia.

⁵ Diana Silfiani, "Indonesian Legal Protection for Song Commercialization and Music Copyrights in Digital Platforms," *PADJADJARAN Jurnal Ilmu Hukum (Journal of Law)* 9, no. 2 (2022): 152–69, <https://doi.org/10.22304/pjih.v9n2.a1>.

⁶ Pemerintahan Republik Indonesia, UU No. 28 Tahun 2014 tentang Hak Cipta.

royalties to the creator, whether it is the concert organizer who derives commercial profit from the event, or the singer who directly performs the copyrighted work.⁷ This ambiguity is not merely procedural; it strikes at the heart of the equitable distribution of economic rights under Indonesian copyright law.

The complexity of legal responsibility for music performance royalty payments in commercial concerts becomes particularly pronounced when disputes arise before the courts. Such is the situation presented in Decision Number 92/Pdt.Sus-HKI/Cipta/2024/PN Niaga Jkt.Pst, issued by the Jakarta Central Commercial Court (*Pengadilan Niaga Jakarta Pusat*).⁸ This decision has attracted considerable scholarly attention, as the Panel of Judges imposed the obligation of royalty payment upon the singer as a performing artist, raising fundamental questions regarding the consistency of that judicial reasoning with the applicable statutory framework, particularly the Copyright Act and Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties (hereinafter referred to as PP No. 56 of 2021).

A critical examination of the court's reasoning is warranted on several grounds. From the perspective of legal construction in commercial music concerts, the Copyright Act clearly distinguishes among the roles of the creator, the performing artist, and the event organizer, each of whom bears distinct rights and obligations. Article 1(6) of the Copyright Act defines a performing artist as an individual or group of persons who individually or collectively presents and displays a work, whereas the concert organizer is the entity that arranges and conducts the performance for commercial purposes.⁹ Scholarship on the three-pillar structure of the copyright system has underscored the separate and non-interchangeable positions of creators, performers, and commercial users within the statutory framework.¹⁰

From the perspective of justice and legal certainty, the allocation of royalty payment responsibility must take into account the party that factually derives economic benefit from the commercial concert. Concert organizers routinely generate revenue from ticket sales, sponsorship arrangements, and ancillary commercial activities, whereas performing artists generally receive a professional

⁷ Zeehan Fuad Attamimi, Amalina Ahmad Tajudin, and Fadhil Umar, "The Role of Music Aggregator Distribution Toward Music Performers in View of the Three Pillars of the Copyright System," *Journal of Law and Legal Reform* 5, no. 1 (January 31, 2024): 361–82, <https://doi.org/10.15294/jllr.vol5i1.2201>.

⁸ "Putusan Pengadilan Niaga Pada Pengadilan Negeri Jakarta Pusat Nomor 92/Pdt.Sus-HKI/Hak Cipta/2024/PN Niaga Jkt.Pst," 2025.

⁹ Pemerintahan Republik Indonesia, UU No. 28 Tahun 2014 tentang Hak Cipta.

¹⁰ Rastra Samara Huliselan, "SOLD FLAT AGREEMENT OF SONG COPYRIGHT AS A TRANSFER OF ECONOMIC RIGHTS," *Journal of Law Theory and Law Enforcement* 4, no. 3 (September 26, 2025): 38–53, <https://doi.org/10.56943/jlte.v4i3.838>.

fee as compensation for their services.¹¹ Accordingly, imposing royalty obligations on the performing artist risks producing an outcome that is fundamentally inequitable, particularly where the artist receives no direct share of ticket revenues or other commercial proceeds from the event. This concern is reinforced by scholarship examining the inadequacies of Indonesia's royalty management framework in addressing the practical complexities of the commercial music industry.¹²

A further ground for critical review concerns the potential inconsistency between the Panel of Judges' reasoning and the applicable statutory provisions. Articles 22 and 87 of the Copyright Act, read in conjunction with PP No. 56 of 2021, establish that the economic rights of creators, including performance rights, are to be administered through a Collective Management Organization (*Lembaga Manajemen Kolektif* or LMK), which is tasked with collecting and distributing royalties.¹³¹⁴ Under this regulatory scheme, it is the concert organizer, as the commercial user, that bears the primary obligation to pay royalties to the LMK or directly to the creator, and not the singer who participates solely as a performing artist. This interpretation is consistent with Article 3(2)(c) of PP No. 56 of 2021, which expressly identifies the organizer of commercial performances among the categories of commercial users subject to royalty payment obligations. The protection of creators as the principal beneficiaries of copyright law must therefore remain a foremost concern in any judicial determination involving intellectual property rights.¹⁵

Despite the enactment of PP No. 56 of 2021 as a regulatory instrument intended to clarify royalty management obligations in Indonesia, no study to date has specifically examined the judicial application of that regulation in the context of commercial concert disputes, nor has there been a systematic normative analysis of the legal construction of royalty payment responsibility as between performing artists and concert organizers. Existing scholarship has largely focused on the digital dimension of music royalties or on the general framework of collective management organizations, while the specific question of performer versus organizer liability in live commercial performances remains underexplored.¹⁶ The

¹¹ Aris Setiawan, "Criticising Government Regulations on Music Royalty in Indonesia and Some Copyright Issues of Music Works in the Digital Space," *International Journal of Arts and Technology* 13, no. 3 (2021): 183, <https://doi.org/10.1504/IJART.2021.120762>.

¹² Prof. Dr. Prasetyo Rijadi et al., "REMISSION POLICY FOR CORRUPTION PERPETRATORS IN THE PERSPECTIVE OF JUSTICE," *Journal of Law Theory and Law Enforcement* 3, no. 4 (January 10, 2025): 49–59, <https://doi.org/10.56943/jlte.v3i4.685>.

¹³ Pemerintahan Republik Indonesia, UU No. 28 Tahun 2014 tentang Hak Cipta.

¹⁴ Pemerintahan Republik Indonesia, "PP No. 56 Tahun 2021 Tentang Pengelolaan Royalti Hak Cipta Lagu Dan/Atau Musik," Sekretariat Negara § (2021).

¹⁵ Sudikno Mertokusumo, *Mengenal Hukum: Suatu Pengantar*, Fifth Edition (Yogyakarta: Cahaya Atma Pusaka, 2016).

¹⁶ Silfiani, "Indonesian Legal Protection for Song Commercialization and Music Copyrights in Digital Platforms."

issuance of Decision Number 92/Pdt.Sus-HKI/Cipta/2024/PN Niaga Jkt.Pst provides an important and timely opportunity to address this gap.

This study accordingly pursues two principal objectives: first, to analyze the legal framework governing royalty payment responsibility in commercial music concerts under the Copyright Act and PP No. 56 of 2021; and second, to evaluate the conformity of the judicial reasoning in Decision Number 92/Pdt.Sus-HKI/Cipta/2024/PN Niaga Jkt.Pst with the applicable statutory provisions. In doing so, this study seeks to contribute a normative legal analysis that clarifies the appropriate legal construction for determining royalty payment obligations in commercial concert settings, and to provide scholarly insight that may inform future judicial decisions, legislative clarification, and industry practice in Indonesia's music sector.

LITERATURE REVIEW

Copyright

Copyright is an exclusive right that arises automatically upon the creation and materialization of a work in a concrete form, without any requirement of prior registration, in accordance with the declarative principle recognized under Indonesian law.¹⁷¹⁸ As a form of intellectual property, copyright serves both a legislative function in establishing the legal framework for the protection of creative works and an administrative function in ensuring that such protection is effectively enforced across relevant sectors of the economy.¹⁹²⁰

Copyright comprises two inseparable yet legally distinct components: moral rights and economic rights. Moral rights are personal rights inherent to the creator, designed to protect the integrity of a work and the creator's relationship to it.²¹ They include the right to be acknowledged as the author, the right to object to distortions or modifications that are prejudicial to the creator's reputation, and the right to control the use of the creator's name or pseudonym. These rights are inalienable and remain with the creator regardless of whether the economic rights in the work have been transferred or licensed to another party. Economic rights, by contrast, represent the creator's exclusive entitlement to derive financial benefit from the work through publication, reproduction, and distribution. Unlike moral rights, economic rights may be transferred or licensed, though the creator's moral rights

¹⁷ Pemerintahan Republik Indonesia, UU No. 28 Tahun 2014 tentang Hak Cipta.

¹⁸ Fitri Rini Ariyesti et al., "The Systematic Review of the Functionality of Intellectual Property Rights in Indonesia," *Journal of Public Affairs*, September 30, 2020, <https://doi.org/10.1002/pa.2482>.

¹⁹ Pemerintahan Republik Indonesia, UU No. 28 Tahun 2014 tentang Hak Cipta.

²⁰ Ariyesti et al., "The Systematic Review of the Functionality of Intellectual Property Rights in Indonesia."

²¹ David A Simon, "Copyright, Moral Rights, and the Social Self," *Yale Journal of Law and the Humanities* 34 (2023), <https://papers.ssrn.com/abstract=4468931>.

continue to subsist.²² In the context of the music industry, the effective protection of both categories of rights is essential to sustaining the creative economy and incentivizing artistic production.²³

Under the Copyright Act, the economic rights of a creator are enumerated in Article 9(1) and include, among others, the right of public performance. The protection of these rights in the digital and live performance contexts has been a subject of ongoing scholarly inquiry, particularly in light of the regulatory developments introduced by PP No. 56 of 2021.²⁴ The declarative nature of copyright protection, whereby rights arise from the act of creation rather than from registration, further underscores the importance of an effective enforcement and royalty collection framework to give practical effect to those rights.²⁵

Royalty

Royalty constitutes the financial compensation payable to a creator or copyright holder upon the commercial use of the economic rights subsisting in a work.²⁶ In the context of commercial music performance, royalty payment represents a legal obligation imposed upon the party that commercially exploits the copyrighted musical work, functioning as both a recognition of the creator's contribution and a mechanism for the redistribution of economic benefits derived from that exploitation.

Article 1(21) of the Copyright Act defines royalty as compensation for the use of the economic rights of a work or a related rights product. The obligation to pay royalties in connection with public performances is reinforced by PP No. 56 of 2021, which establishes a one-gate royalty collection system administered by the National Collective Management Organization (*Lembaga Manajemen Kolektif Nasional* or LMKN). Under this system, commercial users of copyrighted musical works are required to obtain licenses and remit royalties through the designated LMK.²⁷ Scholarly analysis of the implementation of this framework has identified persistent challenges, including a lack of transparency in distribution mechanisms

²² Otto Hasibuan, *Hak Cipta Di Indonesia: Tinjauan Khusus Hak Cipta Lagu, Neighbouring Rights, Dan Collecting Society* (Bandung: PT Alumni, 2008).

²³ Attamimi, Tajudin, and Umar, "The Role of Music Aggregator Distribution Toward Music Performers in View of the Three Pillars of the Copyright System."

²⁴ Silfiani, "Indonesian Legal Protection for Song Commercialization and Music Copyrights in Digital Platforms."

²⁵ Huliselan, "SOLD FLAT AGREEMENT OF SONG COPYRIGHT AS A TRANSFER OF ECONOMIC RIGHTS."

²⁶ Rukma George, "Nature of a Film Contributing Author's 'Right to Royalty' under Indian Copyright Law: An Analysis," *Queen Mary Journal of Intellectual Property* 12, no. 3 (November 2022), <https://doi.org/10.4337/qmjip.2022.03.01>.

²⁷ Pemerintahan Republik Indonesia, PP No. 56 Tahun 2021 tentang Pengelolaan Royalti Hak Cipta Lagu dan/atau Musik.

and insufficient compliance by commercial users, which continue to undermine the effective realization of creators' economic rights.²⁸

The distinction between royalty as compensation for the commercial exploitation of a work and fee as compensation for the provision of services is of particular significance in the context of commercial concerts. A performing artist who receives a contractual fee for rendering performance services does not thereby acquire any obligation to pay royalties in respect of the works performed, as the fee is consideration for labor rather than for the commercial use of the intellectual property embedded in those works.²⁹ This distinction, though fundamental to the proper application of copyright law, has not always been clearly observed in judicial practice, as evidenced by the decision that forms the subject of the present study.

Commercial Concert

A commercial concert is a music performance organized with the primary purpose of generating financial profit through ticket sales, sponsorship arrangements, merchandise, and other revenue-generating activities.³⁰ As a form of commercial activity, the organization of a concert necessarily involves the exploitation of copyrighted musical works and therefore gives rise to legal obligations under the Copyright Act and its implementing regulations.³¹

Within the structure of a commercial concert, three principal parties bear distinct legal positions. The creator or copyright holder is entitled to receive royalties for each public performance of the work. The performing artist is a person or group of persons who individually or collectively presents the work before an audience, as defined under Article 1(6) of the Copyright Act, and holds neighboring rights in respect of the performance itself but bears no royalty obligation toward the original creator in the absence of a contractual arrangement to that effect. The concert organizer, as the commercial user who derives the primary economic benefit from the event, bears the primary obligation under PP No. 56 of 2021 to obtain authorization and remit royalties to the LMKD or directly to the creator.³²

The growing volume of commercial concert activity in Indonesia, coupled with the persistent ambiguity surrounding the allocation of royalty payment

²⁸ Setiawan, "Criticising Government Regulations on Music Royalty in Indonesia and Some Copyright Issues of Music Works in the Digital Space."

²⁹ Marulam J Hutauruk, *Lisensi & Royalti Lagu/Musik Di Tempat Publik Lisensi & Royalti Lagu/Musik Di Tempat Publik Lisensi & Royalti Lagu/Musik Di Tempat Publik Lisensi & Royalti Lagu/Musik Di Tempat Publik Lisensi & Royalti Lagu/Musik...* (Yayasan Pustaka Obor Indonesia, 2023).

³⁰ Adrian Sutedi, *Hak Atas Kekayaan Intelektual* (Jakarta: Sinar Grafika, 2009).

³¹ Sumardoyo Sumardoyo, "Legal Review of Copyright Holders of Musical Works or Songs Regarding Royalties for Playing Musical Works or Songs for Commercial Purposes," *Devotion: Journal of Research and Community Service* 7, no. 4 (April 20, 2026): 399–411, <https://doi.org/10.59188/devotion.v7i4.25667>.

³² Edi Tuahta Putra Saragih, Muhammad Citra Ramadhan, and Isnaini Isnaini, "The Law Enforcement Weakness of Songs and Musics Copyright Crimes," *Jambura Law Review* 3, no. 1 (January 28, 2021): 139–54, <https://doi.org/10.33756/jlr.v3i1.7710>.

obligations among these three parties, has created conditions conducive to legal dispute. Enforcement weaknesses in the copyright domain, particularly with respect to music and song rights, have been documented in the scholarly literature and reflect broader structural deficiencies in the national intellectual property framework.³³ A normative analysis of the applicable legal instruments is therefore necessary to establish a clear and consistent standard for the attribution of royalty responsibility in commercial concert settings.

RESEARCH METHODOLOGY

This study employs a normative legal research method (*penelitian hukum normatif*), which focuses on the systematic examination of positive law through the analysis of applicable legal norms, principles, and doctrines. Normative legal research proceeds by collecting, processing, interpreting, and evaluating legal materials in order to construct a coherent legal argument concerning the issues under examination.³⁴ This methodological approach is appropriate for the present study given that the central inquiry concerns the conformity of a judicial decision with the applicable statutory framework, a question that is fundamentally doctrinal in nature and does not require the collection of empirical data from primary sources.

Two approaches are employed in combination. The statutory approach (*statute approach*) involves a systematic examination of all legal instruments directly relevant to the subject matter, including Law Number 28 of 2014 concerning Copyright, Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties, and the implementing ministerial regulations issued thereunder. The case approach (*case approach*) involves a detailed analysis of Decision Number 92/Pdt.Sus-HKI/Cipta/2024/PN Niaga Jkt.Pst, with particular attention to the Panel of Judges' legal reasoning and its conformity with the statutory provisions identified through the statutory approach.³⁵ The combined use of these two approaches enables the study to ground its analysis in both the applicable normative framework and the concrete facts of the dispute as adjudicated.

The legal materials used in this study are classified into two categories. Primary legal materials consist of binding legal instruments, namely the Copyright Act, PP No. 56 of 2021, and the court decision that forms the subject of the case study. Secondary legal materials consist of non-binding but persuasive sources, including academic literature, peer-reviewed journal articles, and the

³³ Saragih, Ramadhan, and Isnaini.

³⁴ Soerjono Soekanto and Sri Mamudji, *Penelitian Hukum Normatif: Suatu Tinjauan Singkat*, 21st ed. (Depok: PT Rajagrafindo Persada, 2022).

³⁵ Peter Mahmud Marzuki, *Penelitian Hukum*, Revision Edition (KENCANA, 2021).

scholarly opinions of experts in the field of intellectual property law, which are used to support and enrich the normative analysis.³⁶

Legal materials were collected through a systematic library research (*studi kepustakaan*) process, involving the identification, selection, and classification of relevant primary and secondary sources in accordance with the thematic requirements of each section of the study. The collected materials were subsequently analyzed using a descriptive-analytical method combined with deductive legal reasoning, whereby general legal norms and principles drawn from the applicable statutory framework are applied to the specific facts and circumstances of the case under examination in order to arrive at reasoned conclusions regarding the legal issues in dispute.³⁷

RESULT AND DISCUSSION

Legal Framework Governing Royalty Payment Responsibility in Commercial Music Concerts under Indonesian Law

The legal framework governing royalty payment obligations in commercial music concerts in Indonesia rests on two primary instruments: Law Number 28 of 2014 concerning Copyright (the Copyright Act) and Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties (PP No. 56 of 2021). Read together, these instruments establish a clear and internally consistent normative framework that distributes rights and obligations among the three principal parties in any commercial concert setting: the creator, the performing artist, and the concert organizer.

Under Article 9(1) of the Copyright Act, the creator or copyright holder holds the exclusive economic right to authorize the public performance of a copyrighted work and to receive royalties for any such use. This provision is not merely procedural; it reflects the foundational principle that the economic benefits flowing from the commercial exploitation of a creative work belong, in the first instance, to the person who produced it.³⁸ The Copyright Act further distinguishes between the creator and the performing artist by recognizing, in Chapter X, a separate category of related rights (*hak terkait*) belonging to performers. Article 1(6) defines the performing artist as a person or group of persons who individually or collectively presents a work before the public. The performing artist thus occupies a legally distinct position from that of the creator:

³⁶ Marzuki.

³⁷ Saragih, Ramadhan, and Isnaini, "The Law Enforcement Weakness of Songs and Musics Copyright Crimes."

³⁸ Ariyesti et al., "The Systematic Review of the Functionality of Intellectual Property Rights in Indonesia."

the performing artist holds related rights in respect of the performance itself, not a right to authorize or commercialize the underlying musical work.³⁹⁴⁰

The concert organizer's obligations are addressed most directly in PP No. 56 of 2021. Article 3(2)(c) expressly classifies the organizer of public performances of a commercial nature among the categories of commercial users of copyrighted songs and/or music. As a commercial user, the concert organizer is obligated under Article 9(1) of PP No. 56 of 2021 to obtain a license through the National Collective Management Organization (LMKN) before making commercial use of any copyrighted musical work, and to remit the applicable royalties in accordance with the tariff schedule established under the regulation. This one-gate licensing and collection mechanism is designed to streamline royalty administration and to ensure that creators receive their due economic compensation from those who profit commercially from the use of their works.⁴¹

The economic logic of this allocation is equally compelling. Concert organizers derive their primary revenue from ticket sales, sponsorship arrangements, merchandise, and other commercial activities associated with the event. The financial structure of a commercial concert is such that it is the organizer who appropriates the commercial value of the musical works performed, not the performing artist, whose remuneration takes the form of a contractual fee for services rendered. This fee constitutes consideration for labor and professional expertise, and its receipt does not transform the performing artist into a commercial user of the underlying copyrighted works.⁴² Scholarship examining the implementation challenges of the Indonesian royalty framework has consistently identified the concert organizer as the party bearing primary commercial user status and, consequently, primary royalty payment responsibility.⁴³⁴⁴

The regulatory framework is therefore unambiguous in its allocation of royalty payment obligations. The creator registers the work with the LMKN and is entitled to receive royalties through the designated LMK. The performing artist is required to submit the performance setlist to facilitate monitoring and reporting. The concert organizer, as the commercial user that derives financial benefit from the event, bears the principal obligation to obtain a license and remit royalties

³⁹ Pemerintahan Republik Indonesia, UU No. 28 Tahun 2014 tentang Hak Cipta.

⁴⁰ Silfiani, "Indonesian Legal Protection for Song Commercialization and Music Copyrights in Digital Platforms."

⁴¹ Pemerintahan Republik Indonesia, PP No. 56 Tahun 2021 tentang Pengelolaan Royalti Hak Cipta Lagu dan/atau Musik.

⁴² Hutauruk, *Lisensi & Royalti Lagu/Musik Di Tempat Publik Lisensi & Royalti Lagu/Musik Di Tempat Publik Lisensi & Royalti Lagu/Musik Di Tempat Publik Lisensi & Royalti Lagu/Musik....*

⁴³ Setiawan, "Criticising Government Regulations on Music Royalty in Indonesia and Some Copyright Issues of Music Works in the Digital Space."

⁴⁴ Huliselan, "SOLD FLAT AGREEMENT OF SONG COPYRIGHT AS A TRANSFER OF ECONOMIC RIGHTS."

before the performance takes place. Failure to comply with this obligation constitutes a violation of the creator's economic rights under Article 9(1) of the Copyright Act and exposes the organizer to civil liability, including claims for compensatory and consequential damages, as well as potential criminal sanctions under Articles 113 to 115 of the Act.⁴⁵⁴⁶

Analysis of the Conformity of Decision Number 92/Pdt.Sus-HKI/Cipta/2024/PN Niaga Jkt.Pst with the Applicable Statutory Framework

Decision Number 92/Pdt.Sus-HKI/Cipta/2024/PN Niaga Jkt.Pst concerns a copyright dispute in which the plaintiff, as the creator of the songs in question, alleged that the defendant, in the capacity of a performing artist, had performed those songs commercially without obtaining prior authorization and without remitting the applicable royalties. The Panel of Judges upheld the plaintiff's claim and imposed upon the defendant the obligation to pay royalties together with compensatory and consequential damages. The court's reasoning rested on four principal grounds: that the defendant had directly performed the copyrighted works without the creator's authorization; that the defendant had received an economic benefit in the form of a performance fee; that there existed a direct causal link between the defendant's conduct and the commercial use of the works; and that the defendant, as a professional performing artist, ought to have known of the applicable licensing and royalty obligations.

A critical normative analysis of these grounds reveals several significant departures from the applicable statutory framework. First, the court's reasoning conflates two legally distinct concepts: the act of performing a work and the act of commercially exploiting it. The Copyright Act draws a clear distinction between the creator's economic right to authorize performance and the performing artist's related rights in respect of the performance. The performing artist does not, by virtue of rendering a performance, become a commercial user of the underlying copyrighted work within the meaning of PP No. 56 of 2021. The obligation to obtain a commercial license and pay royalties rests with the entity that organizes the commercial event and appropriates the resulting financial returns, not with the artist engaged to perform at that event.⁴⁷

Second, the court's reasoning mischaracterizes the nature of the performance fee received by the defendant. A performance fee is consideration for the provision of professional services and bears no legal relationship to the economic rights subsisting in the copyrighted works performed. The Copyright Act and PP No. 56 of 2021 make no provision for the imposition of royalty obligations on performing artists on the basis that they have received

⁴⁵ Pemerintahan Republik Indonesia, UU No. 28 Tahun 2014 tentang Hak Cipta.

⁴⁶ Saragih, Ramadhan, and Isnaini, "The Law Enforcement Weakness of Songs and Musics Copyright Crimes."

⁴⁷ Attamimi, Tajudin, and Umar, "The Role of Music Aggregator Distribution Toward Music Performers in View of the Three Pillars of the Copyright System."

remuneration for their services. The fee and the royalty are separate legal instruments serving distinct purposes: one compensates labor, the other compensates the commercial exploitation of intellectual property. Treating the receipt of a performance fee as a sufficient basis for imposing royalty liability conflates these categories in a manner that is inconsistent with the statutory scheme.⁴⁸

Third, the court's application of the principle of prudence to the performing artist is legally questionable. While professional performing artists are reasonably expected to have some awareness of copyright obligations, the structural responsibility for ensuring that all necessary licenses have been obtained rests with the concert organizer, who controls the commercial framework of the event and is capable of entering into licensing arrangements with the LMKN before the event takes place. Placing the burden of compliance on individual performing artists creates a structurally unworkable arrangement, as artists performing at events organized by third parties typically have neither the contractual authority nor the practical capacity to negotiate and pay royalties directly to rights holders.⁴⁹ This concern has been identified in scholarship examining the implementation of direct licensing arrangements in Indonesia, which has highlighted the tension between individual artist responsibility and institutional royalty management through the LMKN.⁵⁰

Fourth, the decision sits in tension with the purpose and design of the collective management system established under Articles 87 to 93 of the Copyright Act and PP No. 56 of 2021. The LMKN mechanism was specifically designed to simplify and centralize the royalty collection process by placing a single, identifiable obligation on commercial users. If liability for royalty payment is attributed to performing artists rather than concert organizers, the practical operation of the LMKN system is undermined, since it will become impossible for the LMKN to systematically collect royalties from individual artists across the fragmented landscape of commercial concert performances.⁵¹ The decision thus has consequences that extend beyond the specific dispute and risks producing systemic distortions in the national royalty management architecture.

⁴⁸ Pemerintahan Republik Indonesia, PP No. 56 Tahun 2021 tentang Pengelolaan Royalti Hak Cipta Lagu dan/atau Musik.

⁴⁹ Setiawan, "Criticising Government Regulations on Music Royalty in Indonesia and Some Copyright Issues of Music Works in the Digital Space."

⁵⁰ Rizki Subagja and Heri Khoiruddin, "Telaah Metodologi Penafsiran Al-Qur'an Oleh Quraish Shihab Melalui Prisma Tafsir Al-Misbah: Analisis Terhadap Ayat 63 Surah Al-Furqan," *Tahdzib Al-Akhlaq: Jurnal Pendidikan Islam* 6, no. 2 (December 2023): 165–76, <https://doi.org/10.34005/tahdzib.v6i2.3226>.

⁵¹ Rijadi et al., "REMISSION POLICY FOR CORRUPTION PERPETRATORS IN THE PERSPECTIVE OF JUSTICE."

Implications for Legal Certainty, Creator Protection, and the Music Industry

The judicial reasoning in Decision Number 92/Pdt.Sus-HKI/Cipta/2024/PN Niaga Jkt.Pst carries significant implications for legal certainty, the protection of creators' economic rights, and the broader sustainability of the commercial music industry in Indonesia. These implications warrant careful consideration in both the scholarly and policy dimensions.

From the perspective of legal certainty, the decision introduces a standard of royalty liability that departs from the normative framework established by the Copyright Act and PP No. 56 of 2021 without providing adequate justification for that departure. Legal certainty, as a fundamental principle of the rule of law, requires that legal obligations be clearly defined, consistently applied, and reasonably predictable to those to whom they apply.⁵² A judicial decision that imposes royalty obligations on performing artists in circumstances where the applicable statutes assign that obligation to concert organizers necessarily undermines the predictability of the legal framework and may expose performing artists to an indeterminate range of liability that they have no reasonable means of anticipating or discharging.⁵³

From the perspective of creator protection, the consequences of misallocating royalty responsibility are paradoxical. The Copyright Act is designed to ensure that creators receive economic compensation from those who commercially exploit their works. If the royalty obligation is directed toward performing artists rather than concert organizers, the effectiveness of this protective mechanism is compromised in at least two respects. First, performing artists may have limited financial capacity to satisfy royalty claims, particularly in comparison to concert organizers who have already monetized the event through ticket sales and sponsorship revenue. Second, a pattern of imposing royalty liability on performing artists may deter artists from accepting commercial engagements altogether, thereby reducing the volume of public performances and, consequently, the economic opportunities available to creators.⁵⁴

From the perspective of the music industry, the decision risks creating a chilling effect on commercial concert activity by introducing legal uncertainty into the contractual arrangements between performers and organizers. In practice, the allocation of royalty responsibility between these parties is typically addressed through contractual provisions, and a settled understanding that concert organizers bear primary royalty liability provides a predictable foundation for

⁵² Mertokusumo, *Mengenal Hukum: Suatu Pengantar*.

⁵³ Attamimi, Tajudin, and Umar, "The Role of Music Aggregator Distribution Toward Music Performers in View of the Three Pillars of the Copyright System."

⁵⁴ Silfiani, "Indonesian Legal Protection for Song Commercialization and Music Copyrights in Digital Platforms."

such arrangements. A judicial departure from this understanding disrupts the contractual equilibrium of the industry and may generate additional transaction costs as parties seek to negotiate and document the allocation of royalty risk in ever greater detail.⁵⁵

To address these concerns, several normative recommendations arise from the present analysis. First, the Supreme Court should consider issuing a Regulation of the Supreme Court (*Peraturan Mahkamah Agung*) or a Circular Letter (*Surat Edaran Mahkamah Agung*) that provides authoritative guidance on the allocation of royalty payment responsibility in commercial concert disputes, with explicit reference to the provisions of PP No. 56 of 2021. Second, the enforcement role of the LMKKN should be strengthened through more systematic pre-event licensing compliance monitoring, so that royalty obligations are discharged before rather than after performances take place. Third, the government should consider refining the ministerial implementing regulations of PP No. 56 of 2021 to provide greater operational clarity on the respective obligations of concert organizers and performing artists, thereby reducing the scope for interpretive divergence in future judicial proceedings. Finally, performing artists and their professional associations are advised to include explicit contractual provisions in their engagement agreements confirming that the concert organizer bears responsibility for obtaining the necessary licenses and remitting the applicable royalties, as a measure of practical self-protection pending legislative or judicial clarification.⁵⁶

CONCLUSION

The legal framework established under Law Number 28 of 2014 concerning Copyright and Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties is unambiguous in its allocation of royalty payment responsibility in commercial music concerts. The concert organizer, as the party that commercially exploits copyrighted musical works and appropriates the resulting financial returns through ticket sales, sponsorship, and ancillary commercial activities, bears the primary obligation to obtain a license through the National Collective Management Organization and to remit the applicable royalties to the creator. The performing artist, by contrast, occupies a legally distinct position as a holder of related rights whose remuneration takes the form of a contractual service fee, and who does not, by virtue of rendering

⁵⁵ Rivo Denra Maulana and Rianda Dirkareshza, “Challenges of Direct Licensing Implementation in Indonesia’s Music Royalty System: Assessing Copyright Law from the Perspective of Creators,” *Journal of Law, Politic and Humanities* 6, no. 1 (November 20, 2025): 850–60, <https://doi.org/10.38035/jlph.v6i1.2625>.

⁵⁶ Saragih, Ramadhan, and Isnaini, “The Law Enforcement Weakness of Songs and Musics Copyright Crimes.”

a performance, become a commercial user of the underlying copyrighted works within the meaning of the applicable statutory framework.

Decision Number 92/Pdt.Sus-HKI/Cipta/2024/PN Niaga Jkt.Pst departs materially from this normative framework by imposing royalty payment obligations upon the singer as a performing artist. The Panel of Judges' reasoning, which treated the receipt of a performance fee as a basis for commercial user liability and attributed direct responsibility to the performing artist on grounds of professional prudence, is inconsistent with the statutory distinctions drawn between creators, performing artists, and concert organizers under the Copyright Act and PP No. 56 of 2021. This departure from the applicable statutory scheme undermines legal certainty, obscures the boundaries of responsibility among industry participants, and risks producing systemic distortions in the collective royalty management architecture that the legislature specifically designed to protect creators' economic rights.

In order to restore clarity and predictability to the legal framework governing royalty obligations in commercial concert settings, it is recommended that the Supreme Court issue authoritative judicial guidance on the proper allocation of royalty responsibility between concert organizers and performing artists. Simultaneously, the government should strengthen the pre-event licensing compliance function of the LMKD and refine the implementing regulations of PP No. 56 of 2021 to eliminate interpretive ambiguity. Performing artists and their professional associations are further advised to incorporate explicit contractual provisions into their engagement agreements confirming the organizer's primary royalty obligation, as a protective measure pending formal legislative or judicial clarification. These steps, taken together, would reinforce the integrity of Indonesia's copyright protection system and advance the equitable and sustainable development of the national music industry.

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