

The Involvement of the Indonesian Copyright Foundation (Yayasan Karya Cipta Indonesia or YKCI) Regarding Public Performance Rights in Cafes Utilizing Music Streaming Apps

Heniyatun, Gifary Tidar Pratama*, Puji Sulistyaningsih

Faculty of Law, Universitas Muhammadiyah Magelang, Indonesia

*email: gifarytidar@gmail.com

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ABSTRACT

Keywords:

Collective Management Institute; Performing Rights; Music Services Streaming.

This study discusses the role of the Indonesian Copyright Foundation (Yayasan Karya Cipta Indonesia or YKCI) in overseeing Public Performing Rights in cafes that play music using music streaming applications. Such actions constitute as violations of the economic rights of the Creator or Copyright Holder regulated in Article 9 of Law No. 28 of 2014 concerning Copyright. The method employed in this research is normative with a qualitative approach that refers to Law No. 28 of 2014 concerning Copyright. The results of this study indicate that YKCI plays a crucial role in managing the economic rights of creators or copyright holders, especially in Public Performing Rights. This ensures that the royalties for their creations are fulfilled. However, YKCI faces several challenges in carrying out its role, including the fact that its extensive jurisdiction is not proportionate to the number of human resources it possesses. Additionally, limited operational funds result in YKCI's role not being optimized. YKCI, in carrying out its duties, plays a limited role in providing education, knowledge, and guidance to enhance the creativity of creators. This results in creators being satisfied merely with their songs being played in public places without realizing that they are entitled to royalties for their creations.

1. INTRODUCTION

Intellectual Property Rights (IPR) originate from the results of creative thinking that possess specific creative capabilities.¹ One of the specific aspects of IPR is economic rights. Economic rights in musical copyright can provide economic benefits to its creator, in the form of a sum of money obtained through personal use or use by others. Economic rights are one of the specific aspects of IPR. It's called economic rights because IPR is an

¹ John Hagedoorn and Ann Kristin Zobel, "The Role of Contracts and Intellectual Property Rights in Open Innovation," *Technology Analysis and Strategic Management* 27, no. 9 (2015): 1050–67, <https://doi.org/10.1080/09537325.2015.1056134>.

asset that can be valued in terms of money.² These economic rights involve financial gains obtained through personal use of IPR or through the use of others based on licensing. Economic rights are considered because IPR can be used or exploited by others in industries or trade that generate profits.

Music is a manifestation of the creator's emotions, conveying the sentiments of others, and crafting harmonious melodies that resonate with a broad audience, providing both understanding and enjoyment. In Indonesia, music remains a highly popular source of entertainment, resulting in numerous musicians crafting songs that are of high quality and enjoyable to the audience.³ When a song gains recognition among the public, its creator, as well as production companies and other stakeholders in the industry, can reap rewards from their creation. In this context, the reward involves acquiring economic rights as a component of the exclusive rights encompassed by Intellectual Property Rights (IPR).

Based on Article 8 of the 2014 Copyright Law, economic rights are the exclusive rights of the Creator or Copyright Holder to obtain economic benefits from their Creation. In Article 9, it is mentioned that the Creator or Copyright Holder has economic rights to a. Publish the Creation; b. Reproduce the Creation in all its forms; c. Translate the Creation; d. Adapt, arrange, or transform the Creation or its copies; e. Distribute the Creation or its copies; f. Perform the Creation; g. Announce the Creation; h. Communicate the Creation; i. Lease the Creation.

To secure these economic rights, creators or copyright holders have several avenues available, beginning with establishing agreements (licensing) or employing other methods in compliance with the applicable regulations.⁴ One such approach involves authorizing third parties to collect royalties on their creations. This is feasible due to the contemporary era, often referred to as the digital age and the era of Industry 4.0, where nearly everything is conducted online, including the dissemination of music and songs, which creators can readily accomplish.

However, technology has had a negative impact on creators, namely the prevalence of piracy of Indonesian songwriters' works and illegal downloads within society.⁵ This has resulted in economic losses for songwriters. In accordance with this

² Keith Negus, "From Creator to Data: The Post-Record Music Industry and the Digital Conglomerates," *Media, Culture and Society* 41, no. 3 (2019): 367–84, <https://doi.org/10.1177/0163443718799395>.

³ Poshek Fu, "More than Just Entertaining: Cinematic Containment and Asia's Cold War in Hong Kong, 1949-1959," *Modern Chinese Literature and Culture* 30, no. 2 (2018): 1–55.

⁴ Balázs Bodó, Daniel Gervais, and João Pedro Quintais, "Blockchain and Smart Contracts: The Missing Link in Copyright Licensing?," *International Journal of Law and Information Technology* 26, no. 4 (2018): 311–36, <https://doi.org/10.1093/ijlit/eay014>.

⁵ Abdul Hadi Abdillah, "The Role of LMKN (National Collective Management Board) in Fulfilling the Economic Rights of Music and Song Job Creation According to PP No . 57 / 2021 (A Studi in Medan)," *International Journal of Economic, Technology and Social Sciences* 4, no. 1 (2021): 56–65.

trend, several music streaming applications provide services to the general public, granting access to a vast library of songs from all over the globe. Examples of such platforms include YouTube, Joox, iTunes, Soundcloud, and Spotify. These music streaming apps are characterized by their simplicity and efficiency, enabling users to enjoy millions of songs with the convenience of a smartphone.

The regular survey conducted by the Association of Indonesian Internet Service Providers (APJII) shows a continuous increase in Internet users in Indonesia. In 2014, the number of Internet users in Indonesia was only 88 million. However, in 2016, the APJII survey reported an increase in the number of users to 132.7 million, indicating that 35.5% of the Internet user population in Indonesia, or approximately 46.9 million Indonesians, were listening to music online (APJII, 2016). In 2017, this number further increased to 143.26 million.

This figure continues to rise, reaching 171.17 million users in 2018. As a music streaming application, Spotify is the most widely used. Spotify is a digital music streaming, podcast, and video service that provides access to millions of songs and other content from artists worldwide.⁶ Spotify also serves as a digital copyright provider for uploaded music, ensuring that the songs presented are official, and users can enjoy a diverse collection legally. It was launched in 2008, available in over 70 languages. Spotify offers two types of streaming: Free and Premium. The Premium type offers more features such as improved audio quality and the ability to download music for offline listening, with a monthly subscription fee of Rp. 49,900 (forty-nine thousand nine hundred Indonesian Rupiah). One of the features available in Spotify Premium is that users can create their own radio stations.

Based on research by Spotify and The Nielsen Company in Indonesia, 84% of Spotify users are millennials, aged between 15-34 years old, and 60% of Spotify users are women.⁷ This is followed by cafes using Spotify to play music to make cafe visitors feel comfortable and entertained, thereby generating financial profit for the cafe owners.⁸

The act of playing music in cafes falls under the category of Performance Rights, also known as "public performances" and "public announcements." The right to perform or play songs in public is one of the exclusive rights of the Creator or Copyright Holder, which means that as cafe and restaurant owners, they must obtain permission from the Copyright Holders of the songs played, as stipulated in Article 8 of the 2014 Copyright Law. Public Performing Rights, owned by musicians, playwrights, and other artists whose

⁶ Chyntia Kumalasari Puteri and M. Isa Irawan, "Analysis of Song Popularity in Business Digital Music Streaming for Increasing Quality Using Kohonen SOM Algorithm," *IPTEK Journal of Proceedings Series 0*, no. 5 (2019): 71, <https://doi.org/10.12962/j23546026.y2019i5.6282>.

⁷ Rissa Amanda, "Spotify WOM by Millennial Generation," *Jurnal Komunikasi* 14, no. 1 (2022): 140, <https://doi.org/10.24912/jk.v14i1.12256>.

⁸ Mohammad Barqi Tobroni, "Pengaruh Dimensi Store Atmosphere Terhadap Minat Beli," *Jurnal Fokus Manajemen Bisnis* 12, no. 2 (2022): 131–41, <https://doi.org/10.12928/fokus.v12i2.5728>.

works can be presented in the form of performances, are regulated in both the Berne Convention and the Universal Copyright Convention, and they are even separately regulated in the Rome Convention.

To facilitate the Creator or Copyright Holder in obtaining compensation from users of their work for commercial purposes, a Performing Right Collective Management Organization is required. A Performing Right Collective Management Organization is an entity that manages royalties for the right to perform. In Indonesia, the organizations that manage royalties for the right to perform are Wahana Musik Indonesia (WAMI) and Yayasan Karya Cipta Indonesia (YKCI). WAMI and YKCI are two Collective Management Organizations that both collect and manage royalties from users. The difference between YKCI and WAMI is that YKCI has representative offices in all provinces of Indonesia. YKCI, acting as the copyright holder authorized by the Creator in accordance with Law No. 28 of 2014 concerning Copyright, primarily engages in collecting royalties for the use of songs by businesses, subsequently distributing the proceeds to the songwriters who have granted their authority to YKCI.⁹

According to the regulations outlined in Article 87 of the Copyright Law, it becomes evident that all commercial enterprises, such as hotels, cafes, restaurants, and karaoke venues, which play music using music streaming applications within their premises for commercial gain, are obligated to remunerate within the framework of Public Performing Rights.

This aspect holds significant importance in the application of Public Performing Rights for musicians, guaranteeing the fulfillment of both their moral and economic rights, thereby enabling musicians to sustain their creative endeavors. In light of this context, the research aims to comprehend and evaluate the Indonesian Copyright Foundation's (Yayasan Karya Cipta Indonesia) involvement in Public Performing Rights concerning cafes employing music streaming applications for music playback. Furthermore, this study delves into YKCI's measures in addressing infringements of Public Performing Rights.¹⁰

2. RESEARCH METHOD

The research approach employed is qualitative, which aims to discover answers to a phenomenon or question through the systematic application of scientific procedures. The type of research used is normative juridical research, which is legal research conducted by examining library materials or secondary data as the basis for the research. This involves conducting searches of regulations and literature related to the research

⁹ Ziana Mahfuzzah, "Duties And Authorities Of The Collective Management Institute (LMK) As The Royalty Management Institution For Song And Music Included In Digital Music Services," *Intellectual Property Rights Review* 3, no. 2 (2020): 251–55.

¹⁰ Salsabilla Deniesa et al., "Copyright Protection for Creators of Digital Artwork," *Indonesian Comparative Law Review* 4, no. 1 (2022): 43–58, <https://doi.org/10.18196/iclr.v4i1.15106>.

topic. The approach taken is based on legal scholarly logic, focusing on the normative aspect by examining all laws relevant to the research. This study discusses the role of YKCI in Public Performing Rights, with a specific focus on cafes that play music using music streaming applications. The research was conducted at the YKCI representative office in Semarang, Central Java. Data collection was done through a literature review and interviews with respondents, including the Head of the YKCI Semarang Regional Office and the Owner of Demicow Cafe. Data processing was carried out using a qualitative method.

3. RESULTS AND DISCUSSION

3.1. The Legal Relationship between Users, Music Streaming Service Providers, and Copyright Holders of Songs

Based on that meaning, the local government of Kebumen Regency is the representative of the central government itself. The Halal Product Assurance Organizing Agency (BPJPH) is an agency established by the central government to administer halal product assurance. To run the process, BPJPH cooperates with the related ministries and institutions, such as the Office of Industry, Trade, Cooperative, and MSMEs, and the Indonesian Ulama Council. The Office of Industry, Trade, Cooperative, and MSMEs, for example, facilitates home industries in Kebumen to obtain halal certificates for MSME food products. The local government also promulgates the Regional Regulation of Kebumen Regency Number 17 of 2017 concerning Food Safety Supervision. This regulation is a form of intervention by the local government of Kebumen Regency to provide halal consumer protection. This initiative also indicates the government's awareness to accommodate and harmonize the halal issue in food safety.

Music is a protected creation regulated under Article 40 letter (e). The protection of songs is intended to safeguard the songwriters, enabling them to obtain economic benefits from their creative works (Sarjono:2009). Copyright protection is divided into two parts: Protection as stipulated in Article 8 of the 2014 Copyright Law, which states that economic rights are the exclusive rights of the creator or copyright holder to obtain economic benefits from their creation. To acquire economic rights, creators can transfer their copyright through licensing agreements. Specifically, licensing agreements are governed by Article 80 paragraph (1) and (2) of the 2014 Copyright Law, which states:

- (1) Unless otherwise agreed, the Copyright Holder or Related Rights Owner has the right to grant a license to others based on a written agreement to perform acts as referred to in Article 9 paragraph (1), Article 23 paragraph (2), Article 24 paragraph (2), and Article 25 paragraph (2).
- (2) License agreements as stipulated in paragraph (1) shall be valid for a specific period and shall not exceed the duration of the Copyright and Related Rights.

Creators grant licenses to sound recording companies in the form of Mechanical Licences, which are licenses granted as permission for the use of copyrighted works. A songwriter can negotiate directly with anyone wishing to record, reproduce, and distribute a copyrighted work for commercial purposes, obligating them to obtain a Mechanical License.¹¹ Thus, sound recording companies obtain permission to reproduce the work under specified conditions and for a specified duration. Sound recording companies that have obtained mechanical licenses are entitled to produce songs into an album. To make a song more appealing, sound recording companies select suitable music arrangers, singers, and supporting musicians, which are then recorded in a "master recording." The resulting master recording is in a recording media format such as vinyl records, cassettes, CDs, VCDs, DVDs, MP3s, and so on, and is then distributed to sales agents. The cooperative relationship between songwriters and sound recording companies is collaborative, as they share equal positions in their agreements. The songwriter, also the copyright holder, acts as the licensor, while the sound recording company acts as the licensee.¹²

Music streaming service providers like Spotify are applications that offer personalized services with social and interactive features for streaming music and other content, as well as products and services that can be developed over time.

In conducting its business, the largest cost component is the selling cost, which includes expenses for music licensing. This practice is necessitated by music streaming service providers like Spotify, as they regard songs as their primary product offered to music service consumers. Consequently, in compliance with Article 9, paragraph 2 of the 2014 Copyright Law, Spotify is obligated to secure permission in the form of a distribution rights license from the Creator or Copyright Holder, in this instance, the sound recording company. By obtaining such a license from the sound recording company, Spotify becomes authorized to disseminate songs to its user base. Concerning royalty payments, Spotify offers two types, as elaborated on its official website:

1. Recording Royalties are royalties received from each playback on Spotify, paid to the artists through the licensors who submit the music.
2. Publisher Royalties, which are the money/royalties for songwriters or composition owners. Payments are made to publishers, collecting societies (LMK), and agencies located according to the user's region.

Based on the cooperation agreement between Spotify and sound recording companies, Spotify holds an equal position with sound recording companies, namely as Copyright Holders. Meanwhile, the model used involves a mixed business model

¹¹ Eric Priest, "The Future of Music Copyright Collectives in the Digital Streaming Age," *The Columbia Journal of Law & the Arts* 45, no. 1 (2021), <https://doi.org/10.52214/jla.v45i1.8953>.

¹² Katerina Ronauli, Ety Susilowati, and Rintami Njatrijani, "Pelaksanaan Perjanjian Lisensi Hak Cipta Atas Lagu Antara Pencipta Lagu Dengan Produser Rekaman Suara," *Diponegoro Law Journal* 5, no. 3 (2016): 1–16.

consisting of a freemium service supported by advertisements and a paid service. Additionally, Spotify combines it with a freemium service supported by advertising. There are two subscription models explained on the Spotify.com website, namely:

1. Spotify Free. Users of the application can download and listen to Spotify for free, and in return, there are advertising services in the form of audio and display ads.
2. Spotify Premium. Subscribers pay a subscription fee of Rp 49,900 per month (for the general public), Rp 24,900 (for students), and Rp 79,000 for a family plan, which includes five accounts.

The official Spotify website clarifies that, despite users subscribing and paying fees, their access is intended for personal entertainment purposes and not for commercial utilization. Therefore, Spotify should not be broadcasted or played publicly in places of business, such as radio stations, bars, restaurants, shops, dance studios, cafes, etc. In Spotify's Terms and Conditions, it is stated that Spotify upholds Copyright Law. Accordingly, Spotify prohibits its users from: duplicating, redistributing, reproducing, "copying," recording, transferring, performing or displaying to the public, broadcasting, or making available to the public any part of the Spotify service or its Content that is not explicitly allowed under agreements or applicable laws, or that violates intellectual property rights in the Spotify service or any of its content.

Spotify is not obligated to monitor, review, or edit User content, but it retains the right to remove or disable access to any user content with or without justification. This includes User content that, in Spotify's sole discretion, violates the terms of the agreement.

Based on this, the cafe that employs Spotify for music playback has breached the terms and conditions set by Spotify. The cafe has also engaged in the unauthorized public performance of other people's creations, commonly known as Public Performing Rights, without obtaining permission from the song's creator or the copyright holder.

YKCI's role concerning Public Performing Rights in cafes that use music streaming applications. In accordance with the Decision of the Minister of Law and Human Rights of the Republic of Indonesia Number: HKI.2-OT.03.01-06 dated October 28, 2015, regarding the Operational Permit of Collective Management Institutions, YKCI is designated as the royalty manager for Public Performing Rights. This indicates that YKCI has a legal basis and authority to collect royalties and subsequently distribute royalties to the Creators and Related Rights Owners. Collective Management Institutions, as defined in Articles 87 to 89 of Law No. 28 of 2014, are institutions in the form of non-profit legal entities authorized by creators and copyright holders, and/or related rights owners to manage their economic rights, including the collection and distribution of royalties.

YKCI possesses the authority to gather royalties in accordance with Article 5 of its Articles of Association, wherein it manages the interests of creators who have

entrusted their copyrights to the foundation. This primarily pertains to the collection of royalties for the use of these copyrighted works by others, whether for commercial or non-commercial purposes, both domestically and internationally. YKCI also serves as a licensor for Public Performing Rights (song broadcasting) to users, specifically café proprietors and music performers. Within the terms of the licensing agreements, licensees are granted the privilege of limited utilization of Public Performing Rights, such as Background Music, commonly played in venues like hotels, restaurants, cafes, and shopping centers and Live Music (music performed live before an audience, either individually or by groups).¹³ YKCI collects royalties for Public Performing Rights from cafes that play music through various media. If a cafe plays songs for which the songwriters have entrusted their rights to YKCI, YKCI reserves the authority to admonish the cafe. YKCI may enter into negotiations with the cafe to determine the appropriate royalty payments and grant a 'Blanket License,' which permits the playing or broadcasting of the entire repertoire managed by YKCI. Repertoire comprises a collection of song titles and artist names registered with YKCI. Consequently, cafe owners are permitted to legally broadcast or play songs within their establishments and are obligated to remit royalties in accordance with their agreement with YKCI (Toni Pulo, Chairman of YKCI Central Java Representative, 2019).

The determination of royalty rates falls under the purview of the Government, specifically the Minister of Law and Human Rights, in accordance with the Minister's Decision number HKI.2-OT.03.01-02 of 2016 regarding the Approval of Royalty Rates for Users Engaging in Commercial Exploitation of Copyrighted Works and/or Related Music and Songs in: a. Commercial Seminars and Conferences; b. Restaurants, Cafes, Pubs, Bars, Bistros, Nightclubs, and Discotheques; c. Music Concerts; d. Aircraft, Buses, Trains, and Ships; e. Exhibitions and Bazaars; f. Cinemas; g. Telephone Hold Music, Banks, and Offices; h. Shops; i. Recreational Centers; j. Television Broadcasting Institutions; k. Radio Broadcasting Institutions; l. Hotels and Hotel Facilities.

Cafes, in particular, are subject to a royalty rate of Rp. 60,000 (sixty thousand Indonesian Rupiah) per seat per year. In light of the practical reality, YKCI, as a Collective Management Institution vested with the authority to determine royalties, has established rates in accordance with prevailing norms and conditions. The term 'norms' emphasizes the principle of legal fairness. The word 'norm' serves as a benchmark in society, as it would be deemed unethical if the royalties obtained from YKCI's management benefited YKCI more than the creators or copyright holders. Thus, the distribution of royalties must adhere to principles of fairness related to the amount of royalties, which will be regulated by the relevant ministry. In response to user concerns,

¹³ Roberto Garza Barbosa, "U.S. Copyright Law, Technology and Litigation. A National Approach and Its International Consequences," *Anu. Mex. Derecho Int.* 1, no. 16 (2016): 87, <https://doi.org/10.22201/ijj.24487872e.2016.16.522>.

a resolution has been reached to adjust the royalty rate for cafes to Rp. 15,000 (fifteen thousand Indonesian Rupiah) per seat per year. This adjustment has an impact on the distribution of royalties to creators and copyright holders. YKCI ensures that royalties are distributed evenly among all members who have entrusted their copyright management to the organization. Although the nominal amount of this distribution may be considered modest, YKCI has effectively communicated this decision to creators and copyright holders, who have accepted it in good faith.

Edi Samadi, the owner of Cafe Demicow in Magelang, explained that YKCI has never visited the cafe to provide information about royalties for Public Performing Rights. The cafe owner also believed that playing music in the establishment was legal because they had a subscription with Spotify, which required a fee of Rp.49,900 (forty-nine thousand nine hundred Indonesian Rupiah). This subscription led the cafe owner to assume they had the necessary permissions. Due to this lack of awareness, the cafe owner's actions were in contravention of Article 9 of the 2014 Copyright Law. Therefore, the role of the Collective Management Institution, in this case, YKCI, is essential to impart an understanding of Public Performance Rights to prevent copyright infringements.

Toni Pulo pointed out that the inadequate supervision of royalty collection, as well as the lack of awareness regarding the importance of royalty payments, can be attributed to the vast geographical coverage not commensurate with the limited human resources and operational budget. YKCI has only three personnel, consisting of a Chairman, administrative staff, and a licensing department. Additionally, the low awareness among users regarding the appreciation of others' creative works has contributed to this issue. Tony Pulo added that approximately only 10%-20% of businesses show respect for others' creative works by fulfilling their obligation to pay royalties, while the remaining 80% feign ignorance in an attempt to evade their royalty payment responsibilities.

Royalties managed by YKCI are essentially collected, with deductions for administrative fees, taxes, and operational costs, before being disbursed to songwriters or composers who are registered as YKCI members. The amount of royalties received by YKCI members is contingent upon the utilization of their songs by users. The more frequently a song is accessed or played by users, the higher the royalties awarded to the songwriter. User-generated data on song usage is recorded by users and subsequently furnished to YKCI during license renewals or annual royalty payments. This practice serves the dual purpose of facilitating comprehensive tracking of song usage within each cafe that has publicly performed copyrighted songs or music based on the pre-established licensing agreements between YKCI and the users.¹⁴ Additionally, it streamlines YKCI's

¹⁴ Office of Assistant to Deputy Cabinet Secretary for State Documents & Translation Translation, "Gov't Issues Regulation on Songs, Music Copyright Royalties Management," Cabinet Secretary of Republic Indonesia, 2021.

administrative processes and the equitable distribution of royalties to songwriters or copyright holders. However, the level of awareness among songwriters regarding their legal rights remains relatively underdeveloped. This is evident from the fact that only a fraction of the numerous songwriters choose to formally register their works and affiliate with YKCI.

The primary objectives behind the founding of YKCI encompassed: a. Nurturing unity and solidarity among songwriters in Indonesia; b. Establishing a secure and supportive environment for songwriters and copyright holders; c. Championing the legal rights and responsibilities of both songwriters and copyright holders. In light of these overarching goals, it is anticipated that songwriters will proactively engage with YKCI for their own advantage, recognizing that it fundamentally serves the interests of creative creators.

3.2. YKCI's Approach to Resolving Violations of Public Performing Rights

Refers to the Law No. 28 of 2014, creators, copyright holders, and related rights owners are afforded comprehensive legal protection, encompassing both criminal and civil aspects. As outlined in this law, disputes concerning copyright can be resolved in accordance with Article 95, paragraph 1, through alternative dispute resolution methods, arbitration, or legal proceedings. Moreover, any creator, copyright holder, or related rights owner is entitled to file a compensation claim in the Commercial Court for infringements related to copyright or associated products.¹⁵ The criteria for such compensation claims are detailed in Article 99, paragraph 1 of Law No. 28 of 2014, which allows for the request of relinquishing some or all of the proceeds generated from violations involving lectures, scientific meetings, performances, or exhibitions of copyrighted works or products under related rights.

Additionally, Article 120 of Law No. 28 of 2014 stipulates that copyright offenses fall under the category of private offenses. In essence, private offenses necessitate legal action only upon receipt of a formal report accompanied by a request for prosecution against specific individuals. Prosecutors will initiate legal proceedings solely if a complainant, who has suffered harm, has formally lodged a complaint (Waspiah:2016). Toni Pulo has pointed out that private offenses slow down the enforcement of copyright cases because law enforcement relies on complaints from the affected parties. Furthermore, this challenge is exacerbated by a significant lack of awareness among songwriters concerning their legal rights, which are safeguarded by Law No. 28 of 2014 on Copyright. This limited awareness stems partly from inadequate efforts in public awareness and education undertaken by YKCI.

¹⁵ Nevey Varida Ariani, "Enforcement of Law of Copyright Infringement and Forgery with the Rise of the Digital Music Industry," *Jurnal Penelitian Hukum De Jure* 21, no. 2 (2021): 223, <https://doi.org/10.30641/dejure.2021.v21.223-236>.

Consequently, YKCI's role, as specified in Article 5 of its Articles of Association, which emphasizes YKCI's active involvement in educational and developmental activities to enhance the creativity, knowledge, and capacities of songwriters, has not been effectively fulfilled. In light of this, Tony Pulo has noted that violations of Public Performing Rights can potentially be resolved through legal proceedings in commercial courts. However, it is noteworthy that thus far, no cases involving royalty collection in the Central Java and DIY regions have been resolved through litigation in the Commercial Court. Nevertheless, YKCI has opted for non-litigious methods, which are deemed more efficient and less time-consuming. In response to these challenges, YKCI's approach encompasses the following steps: 1) Issuing cautionary letters, with a maximum of three iterations; 2) Offering concessions in payment terms, with extended deadlines; 3) Contemplating litigation as a last resort if disputes remain unresolved, and financial losses can be substantiated.

The persuasive approach has had an impact on cafe entrepreneurs, encouraging them to make royalty payments to YKCI, which are subsequently distributed to songwriters.¹⁶ Toni Pulo emphasizes the need to enhance collaboration with institutions such as the Department of Tourism and Licensing Authorities to provide guidance to all cafe and commercial establishment proprietors, promoting the legal playback of music on their premises. In matters concerning Intellectual Property Rights (IPR), there exists a specialized law enforcement agency within the police force known as Reskrimsus (Directorate of Special Criminal Investigation), responsible for conducting investigations and criminal proceedings for specific offenses, coordinating operational activities, and overseeing administrative procedures conducted by PPNS (Civil Servants) in accordance with legal regulations. This is reinforced by Tony Pulo's statement that cases related to IPR, particularly those concerning royalty payments, are handled by Reskrimsus, which collaborates with PPNS under the Ministry of Law and Human Rights in the Central Java region, and YKCI as the officially recognized Collective Management Organization in Central Java and the Special Region of Yogyakarta.

4. CONCLUSION

Based on the research findings outlined above, it can be concluded that Copyright Protection encompasses both Moral Rights and Economic Rights. YKCI plays a pivotal role in the management of creators' or copyright holders' economic rights, ensuring that they receive due royalties for their creative works. YKCI collects royalties for Public Performing Rights from cafes utilizing music streaming applications for their music playback. However, practical challenges arise due to the expansive jurisdiction of YKCI,

¹⁶ Fahmi Kharisma and Budi Agus Riswandi, "Pelaksanaan Pembayaran Royalti Atas Lagu Dalam Live Performance Kepada Pencipta Lagu Di Kafe Roemah Kesambi Kota Cirebon," *JIPRO: Journal of Intellectual Property* 5, no. 1 (2022): 1–20.

which surpasses the available human resources, alongside limited operational funding, hindering the optimal performance of YKCI. The prevailing lack of comprehension among the general populace, especially among café proprietors and other commercial entities, regarding Public Performing Rights frequently leads to copyright violations. Consequently, it is imperative for YKCI to engage in ongoing awareness initiatives targeting café proprietors and commercial establishments. Furthermore, YKCI's role in the realm of education, knowledge dissemination, and fostering creativity among creators has been relatively passive. This passivity results in creators being content with their works being publicly broadcasted without the awareness that they are entitled to royalties for their creative endeavors.

AUTHOR DECLARATION

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