

Legal Review of Copyright Holders of Musical Works or Songs Regarding Royalties for Playing Musical Works or Songs For Commercial Purposes

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ABSTRACT

KEYWORDS

Copyright, Royalties, Legal.

Music and songs are copyrighted works protected by Law Number 28 of 2014 concerning Copyright. However, the rights of the copyright holder, as the owner of the economic rights to musical works, are often not fulfilled because coffee shop and restaurant business actors fail to meet their obligations by paying royalties to the copyright holder. Failure by coffee shop and restaurant business actors to pay royalties constitutes a violation of the economic rights held by copyright holders. The purpose of this study is to examine the legal protection afforded to creators for the use of their works, in the form of music or songs, for commercial purposes in public places such as coffee shops or restaurants. The research method used is a normative legal research method with a legislative approach, namely by examining copyright law instruments that provide legal protection for copyright holders, as well as copyright provisions related to royalties, particularly in the context of playing music in coffee shops and restaurants, and a conceptual approach, namely by examining views and doctrines consistent with the development of legal science. The data used in this study consist of primary data and secondary data. Primary data are obtained from legal sources, while secondary data are obtained from books, journals, and articles.

INTRODUCTION

Behind people being able to enjoy songs and music easily, there is a complexity that songwriters and musical works go through, both materially and physically, so that songs can be listened to and widely circulated among the general public (Giovannangelo, 2025; Karolina, 2024; Payant, 2025; Radford, 2024). Thus, a musical work is the product or result of a person's thought or creativity in processing tones, melodies, and lyrics to create a song. Upon completion of the recording of a song and/or music, copyright in the song and/or music arises.

Widyopramono, as cited in Indriyani, stated that copyright is usually regarded as an exclusive or special right. Therefore, copyright protection is very important. Without such protection, it may potentially harm economic growth. According to Yulia, (2015) copyright is legal protection granted to the creator of a copyrighted work. Copyright falls under intellectual property rights (hereinafter referred to as "IPR"), which are rights obtained over assets created from human intellectual endeavors (Gupta, 2024; Kumar, 2024; Narwaria et al., 2024; Wu et al., 2025).

Intellectual Property Rights (IPR) have become a highly significant subject of attention. Intellectual works contribute greatly to societal progress, including in the economic sector; therefore, inventors and creators deserve recognition through their intellectual rights. Works produced from even the smallest degree of thought and intellect, including art and culture, are considered intellectual property. Therefore, Indonesia needs to clearly define and classify the position of intellectual property rights, particularly in affirming copyright protection, in order

to provide clearer legal protection for intellectual works and to support economic development and public welfare.

Makkawaru, Z., et al. (2022) emphasized that songwriters hold copyright over their creations, encompassing both moral rights and economic rights. The moral rights of songwriters include the right to be recognized as the creator of the song and the right to object to any alterations to their work. The economic rights of songwriters include the right to reproduce their creations (reproduction or mechanical rights) and the right to publicly perform or communicate their works (performing rights). Considering the many benefits of music for listeners, it is important to ensure that creators also benefit from their intellectual works.

Damian, E (2019). stated that copyright is part of a broader set of rights known as intellectual property rights, and its regulation is codified in law as intellectual property law. Intellectual property law encompasses legal protections related to creations of the human mind, such as artistic works and inventions.

The urgency of this research stems from three factors. First, the widespread and largely unmonitored use of music in thousands of coffee shops and restaurants across Indonesia results in substantial economic losses for creators, estimated by the Indonesian Songwriters Association (ASIRI, 2022) at over Rp 50 billion annually. Second, the implementation of performing rights in Indonesia has historically faced challenges and inequities, as the entertainment industry, hotels, coffee shops, and restaurants have treated the use of songs and music as a routine commercial commodity without respecting creators' rights. This practice arises from a lack of understanding—among both the public and law enforcement—of the concept of performing rights, and it is often resisted by user-affiliated organizations. Third, without immediate legal intervention, the ease of digital access to music will continue to normalize commercial use without compensation, thereby permanently disadvantaging creators.

From this perspective, music is one of the objects that receives copyright protection. Music is a copyrighted work guaranteed protection by law, particularly in terms of its originality. Regulations governing copyright, including copyright for musical works, are set out in Law Number 28 of 2014 concerning Copyright. Key aspects include copyright ownership, protected rights, duration of protection, specific rights for public use, prohibitions against unauthorized use, and the commercial exploitation of copyrighted works.

In the current era of globalization, various communication tools and technologies have developed worldwide. Internet media is frequently used to conduct various business activities at both national and international levels. The emergence of digitalization in the music industry has created new opportunities and ease of access. However, this transformation also presents several challenges, particularly in terms of copyright protection. One such challenge is the rise of digital platforms. Digital-based music services such as Apple Music, YouTube, and Spotify provide unlimited access to millions of songs, creating an environment in which music can be easily accessed. These platforms operate through streaming, allowing users to listen to music without physically purchasing it, thereby shifting the paradigm of music consumption from ownership to access.

Playing a musical work for an audience constitutes an act of public performance (performing rights). As noted above, technological advancements allow individuals to play music or songs very easily. This ease of access is widely utilized by coffee shop and restaurant

business operators to attract customers or visitors, thereby increasing their revenue and overall business income. Therefore, such business operators can be categorized as commercial users because they use musical works for the purpose of obtaining economic benefits.

The implementation of performing rights in Indonesia has long experienced significant challenges and inequities. The entertainment industry, hotels, coffee shops, and restaurants—as users of songs and music—have treated such use as a common commercial practice without respecting the rights of creators and copyright holders. This longstanding practice is largely due to a lack of understanding among the public and even law enforcement regarding the concept of the right of public performance (performing rights), and it is often opposed by organizations affiliated with users.

This issue is therefore of particular interest to the author, who seeks to examine the forms of legal protection available to copyright holders for the public performance of musical works or songs for commercial purposes—specifically in coffee shops and restaurants—as well as the legal consequences faced by business operators who use such works within their establishments.

METHOD

The research method used is a normative research method with a legislative approach, namely by examining copyright law instruments for legal protection for copyright holders and copyright legal provisions related to copyright royalties, especially in music playing in coffee shops and restaurants and a conceptual approach, namely by examining views and doctrines that are in accordance with the development of legal science. The data used in this study consisted of primary data and secondary data. Primary data is data obtained from legal sources. Secondary data is obtained from books, journals, and articles.

RESULT AND DISCUSSION

The provision of legal protection is carried out by the state by guaranteeing the legal rights of its citizens, and legal protection must be the right of all citizens. The presence of the law in society becomes very useful in people's lives. The law seeks to reconcile the interests of individuals with the interests of society, trying to find ways to reconcile giving freedom to individuals and protecting society against individual freedom. Considering that society consists of individuals that result in the formation of interactions, there will often be conflicts between individual interests and between individual interests and community interests.

Safudin, E (2017) said that the existence of the law aims to regulate various areas in people's lives so that they can run in an orderly manner and are not detrimental to each other or social order. In addition, the law also has a role to protect the rights and obligations of all people. These roles place the law as the guardian of order, balance, certainty and the benefits of community life. Mertokusumo, S (2019) said that the law tries to accommodate this tension or conflict as effectively as possible, therefore legal protection is very important in society.

According to Kahfi. A (2016) legal protection is the government's effort to guarantee the rights of its people through the formulation of laws and regulations, where these regulations will regulate the behavior of the community in carrying out its activities. The purpose of legal protection is to create an equal and just social structure, as well as to protect the rights and interests of individuals and society as a whole. Within a legal framework, violations of

regulations can result in legal consequences, such as fines, criminal sanctions, or other civil actions. Legal protection plays an important role in maintaining order and justice in society, as well as providing legal certainty for individuals and legal entities. Through a system of coercive regulations, legal protection provides a foundation for realizing widely recognized norms and maintaining social cohesion within a country or community.

Legal protection for songwriters is an important thing to pay attention to. This is because song creation is a form of intellectual property that has high economic value. Without legal protection, the song's creator can be harmed if his creation is used by another party without permission. Copyright is a form of legal protection for intellectual works owned by their creators. Through copyright, creators have the right to publish, reproduce, and distribute their work.

In Indonesia, the regulation of copyright is listed in Law Number 19 of 2002, which was updated by Law Number 28 of 2014, aiming to provide strong legal protection for copyright holders in the midst of the times.

Law No. 19 of 2002 concerning Copyright states that Copyright is a right that regulates intellectual works in the fields of science, art and literature that are expressed in a distinctive form and given to ideas, procedures, methods or concepts that have been expressed in a fixed form. Ramadhan, et al (2023) emphasized that to get protection through copyright, there is no need to register. Registration is for the purpose of proof only. Thus, once a work is tangible, the Copyright is automatically attached to the work. Usually publication is carried out by including a Copyright mark.

With this protection, creators can regulate the use of their work and receive appropriate rewards for the intellectual contributions that have been made. Copyright protection is becoming increasingly relevant in the modern era marked by the rapid development of digital technology. This development facilitates the process of creating, distributing, and duplicating intellectual works, both in physical and digital form. However, on the other hand, the digital era also presents new problems related to copyright infringement. Increasingly sophisticated technology allows works of creation to be easily copied, reproduced, played or announced for commercial purposes or even distributed without the permission of the creator, which can ultimately cause material and moral losses to the creator or copyright holder.

Haun, S in Subekti (2024) stated that in relation to the use of copyrighted works used to support commercial activities, the party who performs must pay royalties based on articles 1, 4, and 9 of the Copyright Law No. 28 of 2014 concerning copyright. Royalties are necessary to safeguard economic rights, where the creator or related rights holder will receive financial compensation or economic benefits for the commercial use of their song and/or music works.

This statement is in line with Muthmainah, N, et al. that commercial use that generates profits will trigger royalty payments to creators, copyright holders, and related rights owners, as stipulated in Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties. The issuance of the regulation was carried out in response to the many complaints and to respond to the importance of providing protection to creators and owners of related rights to songs and/or music.

By obtaining royalty rights, songwriters can generate revenue from album sales, digital downloads, radio airings, music streaming, and can be used for other commercial purposes. This right provides motivation for music creators to continue to create new works that are

useful to society. With the existence of royalties, it is a real implication of the government in appreciating the creations given by the creator, especially the creations that are known abroad, the giving of royalties is a form of gratitude for creations that are able to carry the name of the nation and are also known by outsiders.

Putri (2023) stated that the copyright holder of the musical work can license the songs he creates to a third party with the existence of a License Agreement. The agreement regulates the economic rights owned by the copyright holder of the song itself in order to generate the maximum possible economic benefits. Economic rights are divided into subdivisions for the purposes of the rights themselves, namely the right to reproduce and the right to announce. In this case, the playing of songs in the culinary business, namely coffee shops or restaurants that are listened to by the public, is categorized as the right to announce (*performing rights*).

To exercise their economic rights, the creator and related rights holders can authorize an institution to manage these rights, namely the Collective Management Institution.

Copyright Law Number 28 of 2014 concerning Copyright Article 1 paragraph (22) states that a Collective Management Institution is an institution in the form of a non-profit legal entity authorized by the creator, copyright holder, and/or owner of related rights to manage its economic rights in the form of collecting and distributing royalties. In addition, it is also mentioned in Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties article 1 paragraph (10) which states that a Collective Management Institution, hereinafter abbreviated as LMK, is an institution with a non-profit legal entity authorized by the Creator, Copyright Holder, and/or Owner of Related Rights to manage its economic rights in the form of collecting and distributing Royalties.

Miladiyanto, S (2015) stated that in the explanation of the Copyright Law, a song or music is said to be a comprehensive work even though it consists of elements of songs, melodies, poems, lyrics, and different arrangements including notation. The term "complete" in music refers to a song or music that becomes a creative work. Music whose daily life is very accessible with very modern technological developments. Technological advances have a negative impact on musical works such as the piracy of musical works and using music for commercial interests of business actors where this is detrimental to music creators because economic rights to their works are not fulfilled.

Business actors who carry out business activities in various economic fields, especially the culinary sector. Coffee shop and restaurant owners can be said to be business actors. Because in general, coffee shops and restaurants are places where people come to look for various types of food and drinks and present certain uniqueness as their attractions, either through menus, entertainment, or the appearance of building shapes. Based on Government Regulation No. 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties, article 3 paragraph (1) states that everyone can make commercial use of songs and/or music in the form of commercial public services by paying royalties to creators, copyright holders, and/or related rights owners through LMK.

Forms of public services that are commercial in nature as intended in paragraph (1) include commercial seminars and conferences; restaurants, cafes, pubs, bars, bistros, nightclubs, and discos; music concerts; aircraft, buses, trains, and ships; exhibitions and bazaars; cinema; phone wait tone; banks and offices; shops; recreation centers; television

broadcasting institutions; radio broadcasting institutions; hotels, hotel rooms, and karaoke businesses.

The forms of public service mentioned above have directly or indirectly benefited from the use of music and songs created, so that actors and consumers of musical works must first ask for permission and pay royalties when using songs commercially. Coffee shop and restaurant business actors can be said to be commercial users of musical works who are obliged to give royalties to creators or copyright holders.

Legal Protection for Copyright Holders against Music Playing in Coffee Shops and Restaurants

Creators obtain copyright by registering their works directly with the Directorate of Intellectual Property or choosing to register themselves through the Collective Management Institution. The purpose is as strong evidence and has legal weight. If a person uses his or her musical compositions commercially without permission, the composer or creator can take legal action against that person to seek compensation for any financial losses resulting from copyright infringement.

Based on Law No. 28 of 2014 Copyright article 1 number (4) states that the copyright holder is the creator as the owner of the copyright, the party who receives the right legally from the creator, or another party who receives further rights from the party who receives the right legally.

The form of legal protection for copyright holders related to music playing in coffee shops and restaurants can be divided into two, both preventive (preventive) and final sanction (Repressive) has been regulated in the Copyright Law which is explained as follows:

1. Preventive Legal Protection
2. The form of preventive legal protection for copyright holders related to music playing in coffee shops and restaurants is contained in Law Number 28 of 2014 concerning Copyright and Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties. Article 8 of Law Number 28 of 2014 concerning Copyright which states that economic rights are the exclusive right of the creator or copyright holder to obtain economic benefits for the work. It can be known that the copyright holder owns half of the copyright, which is the economic right. What kind of economic rights are referred to in article 8 explained in article 9 which states that:
 - (1) The Creator or Copyright Holder as referred to in Article 8 has the economic right to carry out: Publication of Works; Duplication of Creation in all its forms; Translation of Creations; Adaptation, arranging, or transformation of the Creation; Distribution of the Work or copies thereof; Creation Show; Announcement of Creation; Creation Communication; and Invention Rental.
 - (2) Every person who exercises economic rights as referred to in paragraph (1) must obtain permission from the Creator or Copyright Holder.
 - (3) Any person without the permission of the Creator or Copyright Holder is prohibited from making a Reproduction and/or Commercial Use of the Work.

Music playing in coffee shops and restaurants is included in the announcement of the creation and also included in the form of commercial public services contained in article 2

paragraph (1) of Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties states that the use of public services that are commercial for the Creator or Copyright Holder includes: Creation Show; Announcement of Creation; and Creation Communication. Article 3 states that:

- (1) Everyone can make Commercial Use of songs and/or music in the form of commercial public services by paying Royalties to the Creator, Copyright Holder, and/or Related Rights owner through LMKN.
- (2) Forms of public services that are commercial in nature as intended in paragraph (1) include: commercial seminars and conferences; restaurants, cafes, pubs, bars, bistros, nightclubs, and discos; music concerts; aircraft, buses, trains, and ships; exhibitions and bazaars; cinema; phone wait tone; banks and offices; shops; recreation centers; television broadcasting institutions; radio broadcasting institutions; hotels, hotel rooms, and karaoke businesses.
- (3) The addition of commercial forms of public services as intended in paragraph (2) is regulated by Ministerial Regulation.

As a form of preventing the violation of rights owned by copyright holders related to the playing of music in coffee shops and restaurants, business owners, in this case, business actors who play music in coffee shops and restaurants can pay royalties to copyright holders through LMKN in exchange for the use of economic rights owned by copyright holders as a form of protection of rights owned by copyright holders.

3. Legal protection with final (repressive) sanctions.

Repressive protection aims to resolve disputes. Legal protection that is carried out after a violation of one of the copyrighted works belongs to the creator as the copyright holder. This protection is provided to resolve legal disputes and defend the rights of the creator as the copyright holder. For violations committed that can harm the creator, of course, it is necessary to stop and sanctions in the form of fines, imprisonment, and additional punishments are given for what is done to the creator's creation. The principle of legal protection of government actions is based on and derived from the concept of recognition and protection of human rights. The second principle underlying legal protection is the rule of law. This principle means that the law is the supreme authority, not the ruler of the individual.

The establishment of a state of law as its goal is associated with the protection of human rights. Article 95 of the Copyright Law Number 28 of 2014 states:

- (1) Resolution of Copyright disputes can be done through alternative dispute resolution, arbitration, or court.
- (2) The competent court as referred to in paragraph (1) is the Commercial Court.
- (3) Other courts other than the Commercial Court as referred to in paragraph (2) are not authorized to handle the settlement of Copyright disputes.
- (4) In addition to infringement of Copyright and/or Related Rights in the form of Piracy, as long as the parties to the dispute are known to exist and/or are in the territory of the Unitary State of the Republic of Indonesia, they must first pursue dispute resolution through mediation before making criminal charges.

There are sanctions if the rights of the copyright holder are violated, including:

A. Civil Sanctions

Based on Law Number 28 of 2014 concerning Copyright Article 96 which states:

- a. The creator, copyright holder and/or Related Rights holder or their heirs who suffer economic rights losses are entitled to Compensation.
- b. Compensation as intended in paragraph (1) is given and included at the same time in the court decision regarding the case of Copyright and/or Related Rights crimes.
- c. Compensation payments to the Creator, Copyright Holder and/or Related Rights Owner shall be paid no later than 6 (six) months after the court decision with permanent legal force.

If it is proven that there is a copyright infringement in economic rights, the copyright holder can claim compensation. In court, compensation for copyright and related rights is determined at the same time. Compensation must be given to the Creator, copyright holder, and/or related rights owner within a predetermined period of time, after a court decision that has permanent legal force.

B. Criminal Sanctions

One form of legal protection given to copyright holders is through criminal means. Related to the protection of copyright holders against the playing of music in coffee shops and restaurants which can be said to be the right to announce (performing rights). This is shown by the existence of criminal provisions contained in the Copyright Law article 113 paragraph (3), which states that every person who without rights and/or without the permission of the creator or copyright holder commits a violation of the creator's economic rights as referred to in Article 9 letters a, b, e, and/or g for commercial use shall be sentenced to a maximum of 4 (four) years in prison and/or a maximum fine of Rp.100,000,000, 00 (one billion rupiah).

To carry out repressive legal protection against copyright holders contained in the Copyright Law which if there is a copyright violation, especially against the playing of music in coffee shops and restaurants which is a violation of economic rights which are the rights of copyright holders. Playing music to the general public can be said to be the right to announce (*performing rights*) or in this case the announcement of the creation. In the attachment to the Decree of the Minister of Human Rights Law of the Republic Number: HKI.2.OT.03.01-04 of 2016 concerning the ratification of the Guidelines for the Implementation of the Withdrawal, Collection and Distribution of Song and Music Royalties, the right to announce is the right to display works, the right to announce works, and the right to communicate works in the field of songs and music. One of the parties who exercise the right to perform is a business actor who is one of the many forms of business actors in the coffee shop and restaurant business. Business actors in coffee shops and restaurants who usually provide a sense of comfort to consumers, use music as a form of service provided.

Regarding permits or permits related to the commercial use of songs and/or music in the form of commercial public services, there is an institution that handles the problem, namely the National Collective Management Institute (LMKN). LMKN has the authority to accept applications for licensing, this is stated in article 9 of Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties which states:

- a. Anyone can make Commercial Use of songs and/or music in the form of commercial public services by applying for a License to the Copyright Holder or the owner of Related Rights through LMKN.
- b. The License Agreement as intended in paragraph (1) shall be recorded by the Minister in accordance with the provisions of laws and regulations.
- c. The implementation of the License as intended in paragraph (1) d is accompanied by the obligation to provide a report on the use of songs and/or music to LMKN through SILM.

On behalf of the copyright holder, LMKN can withdraw royalties to business actors or users in coffee shops and restaurants who have used music and/or songs. Regarding the withdrawal of royalties for copyright holders who have joined an LMK or who have not been members of an LMK, the withdrawal of royalties is carried out by LMKN against coffee shop and restaurant business actors for the use of musical works in coffee shops and restaurants. Based on Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalty article 12 which states:

- a. LMKN collects royalties from people who make commercial use of songs and/or music in the form of commercial public services for the Creator, Copyright Holder and Related Rights Owner who have become members of an LMK.
- b. In addition to withdrawing royalties for creators, copyright holders, and owners of Related Rights who have become members of an LMK as referred to in paragraph (1), LMKN collects Royalties for Creators, Copyright Holders, and owners of Related Rights who are not members of an LMK.

In the Decree of the Minister of Law and Human Rights No. HKI.2.Ot.03. 01-12 of 2016 concerning the Ratification of Royalty Rates for Users Who Make Commercial Use of Creations and/or Rights Products Related to Music and Songs, there is an amount of special user royalties (users) who make commercial use of creations and/or rights products related to music and songs. The amount of the special royalty rate for restaurants and coffee shops is stipulated in the Decree of LMKN Number: 20150512RKBD/LMKN-Pleno/Royalty Tariff/2016 concerning Royalty Rates for Restaurants, Cafes, Pubs, Bars, Bistros, Nightclubs and Discotheques Article 1 paragraph (4) which states that the royalty rate for the culinary and musical services business of Restaurants and Cafes is determined per seat per year, with the provision that the Creator's royalty is IDR 60,000 per seat per year and the related Rights Royalty is IDR 60,000 per seat per year. After LMKN withdraws royalties in accordance with the Minister's decision, the royalties are collected and then distributed to copyright holders. Regulation of the Minister of Law and Human Rights Number 36 of 2018 concerning Procedures for the Application and Issuance of Operational Permits and Evaluation of Collective Management Institutions Article 19 states that every royalty withdrawn as referred to in Article 16 paragraph (1) is collected in the LMKN account and can be known by all LMKs. Royalties withdrawn as referred to in Article 16 paragraph (1) are collected in LMKN's account and can be known by all LMKs. The royalties that have been collected are then distributed to the copyright holder in accordance with the provisions of article 20 which states that:

- a. Royalty distribution by LMKN is carried out through LMK.
- b. The distribution of royalties as intended in paragraph (1) is given to creators, copyright holders, and related rights owners who have become members of LMK.

- c. Royalties for creators, copyright holders and related rights owners who are not members of an LMK can only be withdrawn and collected by LMKN,
- d. In the event that the creator, copyright holder, and related rights owner are not members of LMK, they are required to be members of LMK to get Royalties.

In order to optimize the authority of LMKN and LMK in fulfilling the rights owned by creators or copyright holders, the licensing fees for songs and music data centers are regulated in Government Regulation Number 56 of 2021 in connection with the construction of song data centers in accordance with article 4, article 5, article 6, and in article 7. The Directorate General of Intellectual Property, part of the Ministry of Law and Human Rights, plays a role in managing information on song and/or music data centers. This data center can then be accessed by LMKN as a copyright management data center, as explained in Article 8 of Government Regulation Number 56 concerning Song and/or Music Copyright Management in 2021 which states that royalty management is carried out by LMKN based on data integrated into the song and/or music data center. Here is the royalty payment procedure:

- a. Users can apply for a license from the copyright holder through LMKN.
- b. The license agreement is recorded by the Minister of Law and Human Rights in line with laws and regulations.
- c. Users are required to record or provide LMKN reports on the use of songs and/or music through the song and/or music information system (SILM) which can later facilitate royalty management.
- d. The user, in this case a business actor, pays royalties to the creator, copyright holder and/or related rights holder in accordance with the ministerial decree determined by LMKN. LMKN collects royalties from users for creators, copyright holders and related rights holders who have joined LMK or who are not yet members of LMK.
- e. LMKN collects royalties and sets the amount of royalties to each LMK in accordance with the norm in practice based on justice.
- f. LMKN distributes royalties through LMK based on reports on the use of songs and/or music data in SILM to creators, copyright holders, and related rights holders.

Legal Consequences for Business Actors Who Use Music in Coffee Shops and Restaurants

Jaya, B, P. (2020) states that the existence of law in people's lives is not only a means to regulate people's lives but also as a means to change people's mindsets and behaviors. The law was created with the aim of eliminating all problems that may arise in society. Soeroso, R. (2019) Declaring that the legal consequences of an act carried out by an actor to achieve a desired result are regulated by law. This action is called a legal case. Therefore, legal consequences are the consequences of legal acts.

Based on Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties article 1 number (11) which states that the National Collective Management Institution, hereinafter abbreviated as LMKN, is a non-state budget government assistance institution established by the Minister based on the Law on Copyright which has the authority to attract, collect, and distribute Royalties as well as manage the economic rights interests of the Creator and the owner of Related Rights in the field of songs and/or music.

Business actors or users of a musical work that plays music, especially in the public service business sector, in this case coffee shop owners and restaurants with commercial interests, are required to pay royalties to the party who owns the copyright of the song or music through LMKN. In accordance with Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties article 3 paragraph (1) which states that everyone can make commercial use of songs and/or music in the form of commercial public services by paying Royalties to the Creator, Copyright Holder, and/or Related Rights owner through LMKN. Listening to music by business actors can be said to be an announcement of creations or *performing rights*. In accordance with article 2 paragraph (1) of Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties, it is stated that the use of public services that are commercial for Creators or Copyright Holders includes: performance of works; announcement of inventions; and creation communication. Based on Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties, article 1 number (12) which states that commercial use is the use of related rights and/or products for the purpose of obtaining economic benefits from various sources or paid.

Therefore, musical works that are played with any media with commercial interests can be subject to royalties. Coffee shop and restaurant business actors can enter into a license agreement with the copyright holder, then carry out royalty payments to creators through LMKN. This is in accordance with Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalty Article 9 which states that:

- (1) Any Person may make Commercial Use of songs and/or music in the form of commercial public services by applying for a License to the Copyright Holder or the owner of Related Rights through LMKN,
- (2) The License Agreement as intended in paragraph (1) shall be recorded by the Minister in accordance with the provisions of laws and regulations.
- (3) The implementation of the License as intended in paragraph (1) is accompanied by the obligation to provide a report on the use of songs and/or music to LMKN through SILM.

Based on Government Regulation Number 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties article 10 paragraph (1) which states that every person who makes commercial use of songs and/or music in the form of commercial public services based on the License agreement as referred to in Article 9 paragraph (2) pays Royalties through LMKN.

After obtaining a permit, café and restaurant business actors must pay royalties to LMKN in accordance with the established law, this is for the realization of legal protection and certainty for copyright holders for their economic rights. With the issuance of Government Regulation No. 56 of 2021 concerning the Management of Song and/or Music Copyright Royalties which affirms the obligation of public services that are profitable to pay royalties on music played for visitors to coffee shops and restaurants. As for medium-scale business actors whose income is not stable, the government provides relief, namely by issuing Government Regulation No. 56 of 2021 concerning the Management of Song and/or Music Copyright Royalty article 11 which states:

- (1) Every person who makes commercial use of songs and/or music that is a micro business as required in the laws and regulations regarding micro, small, and medium enterprises is given a royalty rate waiver.
- (2) The royalty rate relief for micro businesses as intended in paragraph (1) is determined by the Minister.

If the obligation to pay royalties is not carried out by the coffee shop and restaurant business actors, the copyright owner is entitled to compensation and will be given sanctions as stipulated in the Law. The right to obtain compensation is stated in article 96 of the Copyright Law No. 28 of 2014 concerning Copyright which states that:

- (1) Creators, copyright holders and/or related rights holders or their heirs who suffer economic rights losses are entitled to Compensation.
- (2) Compensation as intended in paragraph (1) is given and included at the same time in the court decision regarding the case of non-criminal rights and/or related rights.
- (3) Compensation payments to the creator, copyright holder and/or related rights owner shall be paid no later than 6 (six) months after the court decision with permanent legal force.

The provision of criminal sanctions is stated in the Copyright Law No. 28 of 2014 concerning Copyright article 113 paragraph (3) which states that every person who without rights and/or without the permission of the creator or copyright holder commits a violation of the creator's economic rights as referred to in Article 9 letters a, b, e, and/or g for commercial use shall be sentenced to a maximum of 4 (four) years in prison and/or a maximum fine a lot of Rp.100,000,000.00 (one billion rupiah). The Copyright Law does not necessarily impose criminal sanctions, there are stages that are carried out. Article 95 paragraph (4) of Law No. 28 of 2014 concerning Copyright states that in addition to copyright infringement and/or related rights in the form of piracy, as long as the parties to the dispute are known to exist and/or are in the territory of the Unitary State of the Republic of Indonesia, they must first pursue dispute resolution through mediation before making criminal charges. Before making criminal charges, there are stages that must be passed before making criminal charges, namely mediation to resolve disputes.

CONCLUSION

Copyright owners are afforded both preventive and repressive legal protections against the unauthorized use of music recordings in cafés and restaurants, primarily through licensing agreements and, when necessary, litigation. Indonesian legal frameworks, including Government Regulation Number 56 of 2021 and Law Number 28 of 2014, mandate that commercial entities engaging in public performances of music must pay royalties to copyright holders through the National Collective Management Organization (LMKN), thereby ensuring that creators receive fair economic compensation. These regulations also establish strict penalties for infringement, including monetary damages, fines, and imprisonment of up to four years or fines reaching one billion Rupiah, with dispute resolution generally requiring mediation prior to litigation in the Commercial Court. To strengthen the protection of intellectual property rights, it is essential to enhance education and outreach efforts targeting business actors to raise awareness of their legal obligations to pay royalties, while also encouraging creators to formally register their works with the Directorate General of Intellectual Property and ensure inclusion in the Song and/or Music Information System

(SILM) for greater legal certainty. Future research should explore the effectiveness of enforcement mechanisms and public awareness initiatives in improving compliance with royalty payment obligations in Indonesia's commercial music use sector.

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