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ALGORITHMIC INGESTION AND COPYRIGHT LAW: A STATUTORY BLANKET LICENSING FRAMEWORK FOR ARTIFICIAL INTELLIGENCE TRAINING IN INDIA

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ABSTRACT

Generative artificial intelligence systems are trained on billions of copyrighted works, yet the Copyright Act 1957 does not say whether that ingestion infringes. On 24 July 2026, in *ANI Media Pvt Ltd v OpenAI Inc*, the Delhi High Court held, prima facie, that storing works to train a large language model falls within the fair dealing exception in section 52(1)(a)(i). This paper argues that a single-judge, interim, appealable finding cannot supply the predictable, economy-wide answer that developers and rights holders need, and that the closed list in section 52 is structurally unsuited to commercial text and data mining. Comparing the United States, the European Union, the United Kingdom and Japan, it proposes a statutory blanket licence, to be inserted as section 31E: a tiered, revenue-based levy administered by a collecting society, with a rights-holder opt-out and exemptions for non-commercial research and small enterprises. The Government's own December 2025 Working Paper reaches a structurally similar diagnosis, but the paper shows two respects, the absence of any opt-out and an undifferentiated global-revenue levy, in which the framework proposed here is more proportionate and less constitutionally exposed. The model is tested against Articles 14, 19, 21 and 300A of the Constitution and the three-step test under the Berne Convention and TRIPS, and draft statutory text is offered.

Keywords: copyright; text and data mining; generative AI; statutory licensing; fair dealing; *ANI v OpenAI*.

I. INTRODUCTION

Whether algorithmic ingestion is an actionable reproduction under section 14 of the Copyright Act 1957 will shape the commercial viability of artificial intelligence (AI) in India. When the New York Times sued Microsoft and OpenAI in December 2023, it alleged that the defendants had copied millions of its articles to train models able to reproduce substantial passages almost

verbatim.¹ The suit crystallised a question every copyright system now faces: when a model ingests billions of works to learn statistical patterns, does it infringe, or does its transformative purpose place it outside the law?

India has a double stake. Its technology sector is investing heavily in AI,² and its creative economy, spanning Bollywood, regional cinema, publishing and digital media, generates substantial value and employment.³ Both need a settled rule. At present neither has one.

India's first judicial answer came on 24 July 2026. In *ANI Media Pvt Ltd v OpenAI Inc*, Justice Amit Bansal of the Delhi High Court refused ANI an interim injunction, holding prima facie that OpenAI's storage of ANI's works to train the models behind ChatGPT fell within the fair dealing exception in section 52(1)(a)(i), and that ChatGPT's outputs were not substantially similar to ANI's content.⁴ The suit continues to trial. The ruling is the operative law on the point, but it is interim, rests on a contestable reading of a provision drafted for individual research and study, and binds only the parties. Its limits are the reason the question needs a legislative answer.

The paper asks a narrow question: does the Act, reading section 14's exclusive rights against section 52's closed list of exceptions, give a predictable basis for deciding whether commercial generative AI training infringes, or does the answer depend on litigation-by-litigation judicial discretion that legislation could and should replace? It argues the latter. Its contributions are threefold. It analyses the July 2026 ruling together with the December 2025 Working Paper of the Department for Promotion of Industry and Internal Trade (DPIIT); it offers operative statutory text rather than a general call for reform; and it tests that text against the Constitution and India's treaty obligations, including at the points where the Government's own proposal is vulnerable. The method is doctrinal and comparative. Part II maps text and data mining (TDM) onto section 14; Part III analyses *ANI*; Part IV compares the United States, European Union, United Kingdom and Japan; Part V proposes the framework; Part VI examines its constitutional footing; Part VII concludes.

¹*The New York Times Co v Microsoft Corp* No 1:23-cv-11195 (SDNY, filed 27 December 2023), Complaint.

²NITI Aayog, 'National Strategy for Artificial Intelligence' (June 2018) 12.

³Federation of Indian Chambers of Commerce and Industry, 'Media and Entertainment Industry Report' (2023) 15.

⁴*ANI Media Pvt Ltd v OpenAI Inc* CS(COMM) 1028/2024 (Del HC, 24 July 2026) (Bansal J) (*ANI*). Summons had issued on 19 November 2024.

II. TEXT AND DATA MINING: TECHNICAL REALITY AND LEGAL CHALLENGE

Generative systems, including large language models, are trained through TDM: the automated extraction of information from large datasets by making temporary or permanent copies of the underlying works and analysing them for statistical patterns.⁵ Developers assemble a dataset, pre-process it into machine-readable form, and adjust the model's parameters to minimise the gap between its predictions and the training text.⁶ GPT-3 alone was trained on roughly 570 gigabytes of filtered text.⁷

The technical reality has legal consequences. Once text is converted into vector embeddings, the trained weights are not themselves expressive. The stages before that point are another matter: scraping and pre-processing create full-text copies on training servers. Section 14(a)(i) grants the exclusive right to reproduce a literary work in any material form, including storage by electronic means,⁸ and section 14(a)(vii) reserves adaptation to the owner. The *ANI* Court proceeded on the footing that such storage engages the Act and decided the matter on the section 52 defence.⁹ The live question is therefore the exceptions.

The transient-copy exceptions do not help. Section 52(1)(b)–(c) protects transient or incidental storage in the technical process of electronic transmission, or for providing links and access.¹⁰ Training copies are not transient, because the corpus is typically retained for the full training run and often for later fine-tuning;¹¹ they are not incidental, because copying is the very purpose of the exercise; and they serve the construction of a commercial product, not the facilitation of transmission.

Nor does the idea–expression dichotomy resolve the matter. *RG Anand v Delux Films* protects expression, not ideas, through a lay-observer test applied to outputs.¹² Ingestion occurs before any output exists, so an output-focused test cannot decide an input-stage question. And "transformative use" carries no independent weight in Indian law: unlike the United States, India has no open-ended fair use factor, so a purpose-based argument must fit within an

⁵Directive (EU) 2019/790 on copyright and related rights in the Digital Single Market [2019] OJ L130/92 (DSM Directive) art 2(2).

⁶OpenAI, 'GPT-4 Technical Report' (2023).

⁷Tom B Brown et al, 'Language Models are Few-Shot Learners' (2020) 33 *Advances in Neural Information Processing Systems* 1877, 1880.

⁸Copyright Act 1957, s 14(a)(i). On reproduction of extracts, see persuasively *Infopaq International A/S v Danske Dagblades Forening* (Case C-5/08) [2009] ECR I-6569.

⁹*ANI* (n 4).

¹⁰Copyright Act 1957, s 52(1)(b)–(c).

¹¹Matthew Sag, 'The New Legal Landscape for Text Mining and Machine Learning' (2019) 66 *J Copyright Soc USA* 291, 296–97; OpenAI (n 6).

¹²*RG Anand v Delux Films* (1978) 4 SCC 118.

enumerated head of section 52. Everything therefore turns on section 52(1)(a)(i), the provision applied in *ANI*.

The policy stakes cut in both directions. Licensing billions of works individually is practically impossible, a transaction-cost and collective-action problem that aggregated licensing exists to solve.¹³ Yet free ingestion shifts the cost of AI onto creative industries that generate substantial economic value.¹⁴ A rule must serve both facts, and only legislation can.

III. ANI MEDIA PVT LTD V OPENAI INC: INDIA'S FIRST AI COPYRIGHT RULING

ANI alleged infringement through two acts: OpenAI's storage of its content to train ChatGPT's models (the training claim) and ChatGPT's generation of allegedly similar outputs (the output claim). On 24 July 2026 Justice Bansal held on a prima facie basis that storage for training fell within section 52(1)(a)(i) and so did not infringe under section 51, and that the outputs were not substantially similar.¹⁵ He had first held for ANI on territorial jurisdiction, rejecting OpenAI's argument that training on foreign servers placed the dispute beyond Indian courts. Commentary on the judgment reports that the balance of convenience and public interest also weighed against an injunction, that ANI had not used available opt-out mechanisms to block crawling, and that OpenAI had placed ANI's domain on a blocklist from October 2024.¹⁶ The suit proceeds to trial.

For this paper the ruling matters in two ways. India now has authority, at the prima facie stage, that section 52(1)(a)(i), the exception for "private or personal use, including research", can reach commercial AI training at scale. Yet the finding is one first-instance judge's assessment on an injunction application, and it settles little beyond the parties.

The reasoning is also open to challenge on its own terms. Section 52(1)(a)(i) was drafted for individual research and private study, not for training a foundation model deployed commercially to hundreds of millions of paying users. Exceptions to exclusive rights are construed narrowly,¹⁷ and the closest Delhi authority is distinguishable. *Rameshwari*

¹³William M Landes and Richard A Posner, 'An Economic Analysis of Copyright Law' (1989) 18 J Legal Stud 325, 330.

¹⁴Jéssica Dutra and Robert Stoner, 'Copyright Industries in the U.S. Economy: The 2024 Report' (International Intellectual Property Alliance, 2025).

¹⁵*ANI* (n 4).

¹⁶As reported in commentary on the judgment, including 'India's First AI Copyright Ruling: The Delhi High Court In *ANI v OpenAI*' (Mondaq, 12 August 2026); 'Delhi High Court's first substantive ruling on AI training' (Law.asia, 2026).

¹⁷Prathiba M Singh, 'Evolution of Copyright Law: The Indian Journey' (2020) 16 Indian JL & Tech 37, 61–62.

Photocopy excused extensive copying by a commercial third party, but within a statutory educational mandate that displaced no market for the original publishers.¹⁸ Commercial model deployment, by contrast, competes with the market for the underlying works, which strains both the text of section 52(1)(a)(i) and the three-step test discussed in Part V.

The better institution for this balancing is Parliament. The Supreme Court has held that statutory licensing must balance public interest against private rights,¹⁹ and that balance is better struck once, prospectively, than repeatedly and retrospectively through litigation whose outcome may diverge by forum and instance. The Division Bench or the trial court may yet reach a different view, and another judge may distinguish *ANI* in the next suit. Meanwhile no court can set a tariff, establish a collecting society or design an opt-out registry. The reported emphasis on ANI's failure to use opt-out tools shows how readily control over training migrates into judicial discretion, yet no statute says what a valid reservation is, who may make it or what follows. A judge can remark on the absence of an opt-out; only Parliament can build one.

IV. COMPARATIVE APPROACHES: FLEXIBILITY, REGULATION AND VACUUM

The United States relies on the four-factor fair use doctrine in section 107 of the Copyright Act.²⁰ "Transformative use", a use that adds something new with a further purpose or different character, is central to developers' defences,²¹ although *Andy Warhol Foundation v Goldsmith* narrowed it by asking whether the secondary use serves the same market as the original.²² The first AI-training decisions show the unpredictability. In June 2025 one Northern District of California judge held training on lawfully acquired books highly transformative but refused to excuse building a library from pirated copies, while another ruled for the developer on the record before him and warned that market dilution could defeat fair use in other cases.²³ A reported settlement of about US\$1.5 billion in *Bartz* followed.

The European Union has taken a prescriptive path. The DSM Directive exempts TDM by research organisations and cultural heritage institutions for scientific research, and permits

¹⁸*The Chancellor, Masters & Scholars of the University of Oxford v Rameshwari Photocopy Services* 2016 SCC OnLine Del 5128, (2016) 233 DLT 279.

¹⁹*Entertainment Network (India) Ltd v Super Cassette Industries Ltd* (2008) 13 SCC 30.

²⁰17 USC § 107.

²¹*Campbell v Acuff-Rose Music Inc* 510 US 569, 579 (1994); *Authors Guild v Google Inc* 804 F3d 202 (2d Cir 2015).

²²*Andy Warhol Foundation for the Visual Arts Inc v Goldsmith* 598 US 508 (2023).

²³*Bartz v Anthropic PBC* No 3:24-cv-05417 (ND Cal, 23 June 2025); *Kadrey v Meta Platforms Inc* No 3:23-cv-03417 (ND Cal, 25 June 2025).

other TDM, including commercial TDM, unless rights holders have reserved their rights in an appropriate machine-readable manner.²⁴ The AI Act requires providers of general-purpose AI models to maintain a copyright policy that respects those reservations and to publish a sufficiently detailed summary of training content, obligations that apply to models placed on the EU market wherever they were trained.²⁵ This is a transparency lever, not an answer to the underlying copyright question.

The United Kingdom is the most instructive comparator, since it shares India's closed-list fair dealing structure. Its only TDM exception, section 29A of the Copyright, Designs and Patents Act 1988, covers non-commercial research.²⁶ The Government's December 2024 consultation preferred a broad commercial TDM exception with a rights-holder opt-out. It drew over 11,500 responses and, on the Government's interim analysis, only about 3 per cent of survey respondents supported that preferred option while 88 per cent favoured licensing in all cases.²⁷ The Government's report of 18 March 2026 abandoned the option as its preferred approach and proposed no new exception for now, leaving reform unsettled.²⁸ The lesson is cautionary: a broad, uncompensated exception proved politically unsustainable, and policy stasis followed. Japan's article 30-4 permits use of works for information analysis and other purposes not aimed at enjoying the work's expression, including commercially, unless the use would unreasonably prejudice the copyright owner's interests.²⁹ It gives developers permission without individual licences, but the "non-enjoyment" and "unreasonable prejudice" standards remain largely untested in court.

Four lessons follow for India. Legislation offers more certainty than US-style judicial flexibility or case-by-case rulings such as *ANI*. Jurisdictions that separate commercial from non-commercial TDM have a more defensible model than a single undifferentiated exception. Machine-readable opt-outs and transparency duties are administrable and worth borrowing. Above all, the UK's experience suggests that broad uncompensated exceptions struggle to survive politically, which makes statutory licensing with fair compensation the more durable path.

²⁴DSM Directive (n 5) arts 3–4.

²⁵Regulation (EU) 2024/1689 (AI Act) art 53(1)(c)–(d) and recital 106.

²⁶Copyright, Designs and Patents Act 1988, s 29A.

²⁷DSIT, IPO and DCMS, 'Copyright and Artificial Intelligence: Progress Statement' (December 2025).

²⁸DSIT, IPO and DCMS, 'Report on Copyright and Artificial Intelligence' (18 March 2026), prepared under the Data (Use and Access) Act 2025, s 136.

²⁹Copyright Act of Japan (Act No 48 of 1970) art 30-4 (inserted 2018).

V. PROPOSED STATUTORY BLANKET LICENSING FRAMEWORK

Statutory blanket licensing is a middle path between unrestricted copying and impossible individual licensing. It rests on three principles: fair compensation for rights holders, legal certainty for developers, and protection of the public interest in access to knowledge. Parliament's competence is secure under the Union List.³⁰ The provision is properly numbered section 31E, because sections 31A to 31D of the Act are already occupied by compulsory licences for unpublished or anonymous works, for persons with disabilities and for cover versions, and by the statutory broadcasting licence. A consequential clause in section 52(1) would make compliance with section 31E the condition of the exception. The core text would read:

31E. Statutory licence for training of artificial intelligence systems.— (1) Any person may, without the licence of the owner of copyright, reproduce a lawfully accessed work for the sole purpose of training a general-purpose artificial intelligence model for commercial deployment, on payment of the levy under sub-section (4) to the registered Copyright Society for AI Training. (2) A work obtained from a source the licensee knows or has reason to believe is unauthorised is not lawfully accessed. (3) Sub-section (1) shall not apply to a work whose owner has made a machine-readable reservation in the prescribed manner, with effect from ninety days after its registration. (4) The levy shall be a percentage of the revenue derived by the licensee from India, in tiers determined under the tariff, payable only after such revenue is first earned, and reduced by sums paid under any direct licence. (5) This section does not apply to non-commercial research or to an enterprise whose computational expenditure is below the prescribed threshold. (6) A licensee shall furnish the Society a summary of training content in the prescribed form. (7) Disputes as to the tariff shall be decided by the High Court exercising original jurisdiction over intellectual property matters.

The design turns on a few choices. The model is licence by default, exit by notice: the licence arises automatically on payment, modelled on the statutory broadcasting licence in section 31D,³¹ but an owner may withdraw prospectively. This is what the *ANI* Court's reported attention to opt-out tools makes legally meaningful. The levy is tiered and revenue-based, anchored to Indian-market revenue, deferred until revenue is earned, and set off against direct

³⁰Constitution of India, art 246 and Seventh Schedule, List I, entry 49.

³¹Copyright Act 1957, s 31D.

licences, so it complements rather than displaces the bilateral deals now emerging for premium corpora. The collecting society is registered under Chapter VII and modelled on the Indian Performing Right Society, with a board representing rights holders and developers.³² Tariff disputes go to the High Courts, which now hold the jurisdiction once exercised by the Copyright Board.³³ Excluding unlawfully sourced works tracks the line drawn in *Bartz*. Enforcement against non-compliant foreign operators would use dynamic injunctions and blocking under section 69A of the Information Technology Act 2000.³⁴

The framework satisfies the three-step test in article 9(2) of the Berne Convention and article 13 of TRIPS.³⁵ It is a certain special case, confined to commercial foundation-model training. It does not conflict with normal exploitation: bilateral licences cover only a sliver of premium content, the web-scale long tail cannot be licensed individually, and the set-off protects those deals. And it does not unreasonably prejudice rights holders, who receive remuneration and keep the right to exit.

A worked illustration shows how the levy would operate. The figures are hypothetical, since the tariff itself would be set through the process in sub-section (7). Suppose marginal bands of 0.5 per cent on India-sourced revenue up to ₹100 crore, 1 per cent from ₹100 crore to ₹1,000 crore, and 2 per cent above that. A start-up whose Indian revenue is ₹50 crore would pay ₹25 lakh; a pre-revenue developer would pay nothing until it earned its first rupee; and a research laboratory or a micro-enterprise below the compute threshold would be outside the scheme altogether. A large operator with ₹5,000 crore of Indian revenue would pay ₹0.5 crore on the first band, ₹9 crore on the second and ₹80 crore on the remaining ₹4,000 crore, a total of ₹89.5 crore, an effective rate of about 1.8 per cent. If that operator had already paid ₹20 crore under direct licences with publishers, the set-off would reduce its levy to ₹69.5 crore. The structure therefore charges the firms best able to pay, leaves emerging developers room to grow, and gives creators who strike their own bargains no reason to abandon them.

The Government's own Working Paper gives the proposal external support but also a foil. On 8 December 2025 DPIIT published Part 1 of a Working Paper on Generative AI and Copyright in which a Committee recommended, by majority, a mandatory blanket licence administered by a new central body, the Copyright Royalties Collective for AI Training (CRCAT), funded

³²*Indian Performing Right Society Ltd v Eastern Indian Motion Pictures Association* AIR 1977 SC 1443.

³³Tribunals Reforms Act 2021 (abolishing the Intellectual Property Appellate Board, which had absorbed the Copyright Board, and transferring its jurisdiction to the High Courts); Commercial Courts Act 2015.

³⁴*UTV Software Communication Ltd v 1337x.to* 2019 SCC OnLine Del 8002; Information Technology Act 2000, s 69A.

³⁵Berne Convention for the Protection of Literary and Artistic Works (1886) 828 UNTS 221, art 9(2); Agreement on Trade-Related Aspects of Intellectual Property Rights (1994) 1869 UNTS 299, art 13.

by a government-set royalty on developers' revenue, payable only once a product earns revenue.³⁶ That the Government's expert Committee independently concluded that neither an uncompensated TDM exception nor case-by-case litigation can substitute for statutory licensing is a strong check on the diagnosis here. The Hybrid Model nonetheless differs in three ways that matter. It affords rights holders no opt-out, permitting any lawfully accessed work to be used regardless of the author's wishes, a position closer to expropriation than regulation. It sets one flat royalty, reviewed every three years by a government committee, with no defined micro-enterprise exemption, which favours incumbents able to absorb a flat levy. And its base is global revenue, which invites a territorial-nexus challenge that an India-sourced base avoids.³⁷ A dissenting member, Nasscom, proposed instead a TDM exception with machine-readable opt-out on the EU and Japanese model, which Part IV found wanting. The framework here sits between those poles: compensated, unlike Nasscom's proposal, but not foreclosing rights holders' agency, unlike the majority's.

The strongest objection comes from the other side: that *ANI* already gives developers all the certainty they need, so no levy is justified. It does not, for four reasons. The ruling is expressly interim, and a developer pricing its exposure must account for the possibility that a trial court or Division Bench reads section 52(1)(a)(i) differently, in which case damages and injunctions follow for past training.³⁸ The dispute also concerned publicly accessible news text; it leaves open pirated or paywalled sources, other media and different uses, each of which a developer must still assess case by case. A construction of a private-use exception that stretches to commercial scale will also keep meeting the settled rule that exceptions are read narrowly, which invites further challenge. Finally, certainty bought at creators' expense is unlikely to last: rights holders will keep litigating and lobbying, as the UK experience shows. A statutory licence gives developers something no judgment can, a safe harbour that rests on legislation and a known price. That is a better bargain for them than a favourable interim view.

Three further objections deserve a response, the strongest first. The most serious is that a mandatory levy will push developers to train in permissive jurisdictions such as Japan. That objection is weaker than it looks. Large operators choose training sites chiefly on compute availability, energy cost and talent, against which a bounded, revenue-indexed levy is marginal. Relocating training does not escape the obligation either, because the levy attaches to Indian-

³⁶DPIIT, 'Working Paper on Generative AI and Copyright: Part 1' (8 December 2025); public consultation closed 6 February 2026.

³⁷*GVK Industries Ltd v Income Tax Officer* (2011) 4 SCC 36 (extraterritorial legislation requires a sufficient territorial nexus).

³⁸*ANI* (n 4).

market revenue and the EU's transparency duties already follow a model onto the EU market wherever it was trained. Most fundamentally, legal uncertainty is itself a deterrent to investment; *ANI* shows that the present regime offers no assurance against open-ended liability, and commercial actors generally prefer a known, bounded cost to an unknown, unbounded one. The candid weakness is enforcement against operators with no Indian presence, which dynamic injunctions only partly cure; that is a reason to anchor the levy to Indian revenue, not to abandon it. The second objection, that the levy burdens innovation, is answered by the exemptions and revenue deferral, which confine it to large commercial operators. The third, administrative difficulty, is answered by the Chapter VII infrastructure already used for music, which the proposal extends rather than invents.

VI. CONSTITUTIONAL AND POLICY IMPERATIVES

The framework regulates the use of copyright; it does not restrict expression. Measured against the proportionality standard in the *Puttaswamy* (Aadhaar) decision, it satisfies each limb.³⁹ It pursues a legitimate aim, protecting rights holders' economic interests while enabling AI development; it is suitable, because it compensates creators without halting training; it is necessary, because neither unrestricted copying nor individual licensing achieves the same balance and the opt-out is the least intrusive means of protecting creator agency; and it is proportionate *stricto sensu*, because fee burdens fall only on commercial operators with revenue and are weighed against compensation to creators and the public interest in innovation. Article 19(1)(g) protects the freedom to carry on business, including AI development, subject to reasonable restriction under article 19(6).⁴⁰ A fee tied to actual commercial use, rather than a prohibition, is such a restriction, a conclusion *Entertainment Network* supports directly in the compulsory-licensing context.⁴¹ Article 21's protection of livelihood is engaged because India's creative industries employ millions whose incomes depend on compensation for their work;⁴² a framework ensuring payment for AI training use protects that livelihood. Article 14 is met because the central distinction, commercial against non-commercial use with an exemption for small enterprises, tracks actual economic impact and is not manifestly arbitrary.⁴³ Article 300A is where the contrast with the DPIIT model is sharpest. Assuming copyright is property for this purpose, a law that authorises use of a work against the owner's wishes with

³⁹*Justice KS Puttaswamy v Union of India* (2019) 1 SCC 1.

⁴⁰Constitution of India, art 19(1)(g), (6).

⁴¹*Entertainment Network* (n 19).

⁴²*Olga Tellis v Bombay Municipal Corporation* AIR 1986 SC 180.

⁴³*Shayara Bano v Union of India* (2017) 9 SCC 1.

no exit is harder to defend than one that provides compensation and a right to withdraw.⁴⁴ The framework here is authorised by law, serves a public purpose, pays remuneration and preserves the owner's choice going forward. The Hybrid Model, with no opt-out, is the more exposed. India's position is also distinctive. It has a closed list of fair dealing purposes, not a general fair use clause, a substantive rather than merely formal difference from the United States. Its creative economy rests on Bollywood, regional cinema and traditional knowledge. And its digital divide means that a framework which is too costly could concentrate AI capacity in a few large players, while one that is too permissive could hollow out creative industries. The exemptions, revenue deferral and set-off are designed to hold that line.

VII. CONCLUSION

The generative AI revolution has exposed a tension between copyright law and technological innovation that existing doctrines were never designed to address. The United States relies on judicial interpretation of fair use, with early decisions pointing in different directions; the European Union combines a rights-reservation exception with transparency duties; the United Kingdom's broad exception collapsed under political pressure; and Japan permits commercial TDM under a "non-enjoyment" standard. India's position, now visible in *ANI*, remains unsettled: a single judge's prima facie view on an interim application, reached through a strained reading of a private-use exception, that may yet be revisited at trial or on appeal.

This paper has proposed section 31E, a statutory blanket licence integrated with sections 31 and 31D and Chapter VII, under which commercial AI training would proceed on payment of a tiered, India-sourced, revenue-based levy to a collecting society, with a rights-holder opt-out, exemptions for non-commercial research and small enterprises, and tariff disputes decided by the High Courts. The framework withstands scrutiny under Articles 14, 19, 21 and 300A and the three-step test. That the Government's own Committee reached a similar diagnosis in December 2025 confirms the problem; that its model offers no opt-out and a flat global levy is offered here as a concrete, adoptable refinement. Only legislation, not a single pending lawsuit and not a licence that forecloses rights holders' agency, can supply the predictable and proportionate framework that developers and creators both need.

⁴⁴*KT Plantation Pvt Ltd v State of Karnataka* (2011) 9 SCC 1.