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## Dispute Resolution over Management of Song and/or Music Royalties in Indonesia

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**ABSTRACT:** Law Number 28 of 2014 concerning Copyright, for Creators, Copyright Holders and Related Rights Owners is a hope, and in the Copyright Law there are regulations governing the National Collective Management Institute (LMKN) and the Collective Management Institute (LMK ) who has the task of withdrawing, collecting and collecting and distributing Royalties to Creators, Copyright Holders and Related Rights Owners, so that from an economic perspective (Copyright Royalties) there is a certainty of receipt for the Creators, Copyright Holders and Related Rights Owners . In connection with Royalties, sometimes disputes arise, both with fellow Creators, Copyright Holders and Related Rights Owners as well as with LMK/LMKN, of course the hope is that the resolution of disputes relating to Royalties can reflect justice and legal certainty so as to provide peace of mind for Creators, Copyright Holders and Owner of Relevant Rights in producing new copyrighted works.

**KEYWORDS:** Creator, Copyright Holder and Owner of Related Rights, Royalties, Collective Management Institute (LMK) Collective Management Institute (LMK), National Collective Management Institute (LMKN)

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### I. INTRODUCTION

A creation cannot appear or be present just like that, many sacrifices arise as a consequence of the creation of the work of creation. These sacrifices can be in the form of time, effort, energy, and many other things. Considering that every work of creation is a result of the efforts of the Creators, it is only right that it is appreciated and even rewarded. Someone who has succeeded in creating something generally uses the results of his creation for his own benefit. However, in connection with the benefits it has, the results of the creation are often reproduced for the benefit of others or the benefit of society. Due to the use of the creation by other people, rights arise for the original owner of a work of creation, which all parties are obliged to respect without exception. The rights that arise against the Creator himself are intended so that his creation is not used or exploited arbitrarily by others.

Parties who wish to use or exploit a creation must first obtain permission from the Creator or Copyright Holder concerned.<sup>1</sup> The use or utilization of a creation without first obtaining permission from the Creator can cause losses to the Creator. These losses are closely related to violations of the rights inherent in the Creator, both moral rights and especially the economic rights that he has. Economic Rights can be interpreted as exploitation rights because the Copyright Law gives the creator a certain period of time to obtain economic benefits from a work of his creation.<sup>2</sup> Many people, whether consciously or not, have violated the moral rights and economic rights of the Creator. One form of protection for the Creator's economic rights is seen through the existence of a royalty system.

Royalty and copyright issues in the Indonesian music industry continue to be a serious concern. One of the issues that was widely discussed by the public was the dispute between Ahmad Dhani and Once Mekel several months ago. The peak of tension occurred when Dhani stated that Once was prohibited from singing Dewa 19 songs, especially since the band planned to hold a concert tour after the 2023 Eid al-Fitr celebration twice a week. said Dhani in his explanation regarding the ban on the former Dewa 19 singer. Previously, Dhani had also said that royalty payments were not Once's responsibility, but rather the Event Organizer (EO). He stated that he would not prohibit Once from performing Dewa 19 songs if the EO made an agreement with him and Wahana Musik Indonesia (WAMI). Based on the statement of Dhani's attorney, Aldwin Rahardian, Once is free to continue performing 19 songs from Dewa Dhani's album that he wrote as a solo artist. Aldwin said that Dhani and Andra's songs as well as Dewa 19 songs that do

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<sup>1</sup> Khoiril Hidayah, *Hukum Hak Kekayaan Intelektual*, (Malang: Setara Perss, 2018), h. 4

<sup>2</sup> Eddy Damian, *Glosarium Hak Cipta dan Hak Terkait*, ( Bandung: Alumni, 2012), h. 58.

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not include once are specifically prohibited.<sup>3</sup> Another example, the issue of song royalties in Indonesia continues to roll, especially when the case of Tri Suaka and Zinidin Zidan who parodied the Kangen Band song went viral.<sup>4</sup>

The royalty system is an effort to fulfill the economic rights of the Creators, which is also a form of appreciation for someone's creative work. In this case, every party who wants to use or utilize a song and/or music created by someone commercially must make a royalty payment to the Creator or Copyright Holder.<sup>5</sup> In relation to the payment of royalties, if each party who wants to use or utilize songs and/or music must pay royalties individually to the Creator, then this will not be efficient and will cause difficulties for the parties. Therefore, the Copyright Law has mandated the establishment of an institution to manage royalties for Creators. This institution is called the Collective Management Institution or commonly called LMK. This institution is tasked with managing royalties for Creators with the aim that the economic rights of Creators can be fulfilled.

PP Number 56 of 2021 concerning Management of Copyright Royalties for Songs and/or Music and Permenkumham Number 9 of 2022 concerning Implementation of Government Regulation Number 56 of 2021 concerning Management of Copyright Royalties for Songs and/or Music. The PP and Permenkumham gave rise to a new institution besides LMK which is also tasked with managing royalties for songs and/or music, called the National Collective Management Institution (LMKN). The existence of LMK and LMKN which were formed with the aim of ensuring that royalty payments can be made properly in order to fulfill the economic rights of Creators, in its journey then actually caused chaos which can be said to be detrimental to the parties who use or utilize the related creations. The problem is that the occurrence of double royalty withdrawals can certainly cause losses for users who want to use or utilize someone else's work commercially.

## II. ISSUES

1. How is the implementation of royalty management for songs and/or music in Indonesia?
2. What are the resolution efforts if a dispute arises regarding the management of royalties for songs and/or music in Indonesia?

## III. METHODS

Research method is one of the important factors in writing a scientific paper, because scientific papers must contain truth and the truth must be accountable. Legal research itself is a form of effort to develop law, the purpose of which is to answer new legal issues that arise and develop in the community. Legal development without legal research cannot run optimally. The research method used is the normative research method. The type of research used is normative juridical, namely research that focuses on studying the application of rules or norms in applicable positive law. The normative juridical approach method is carried out by studying various formal legal rules such as laws, regulations and literature containing theoretical concepts which are then connected to the problems that will be discussed in this study.

The problem approaches used in this research are the statutory approach and the conceptual approach. The statutory approach is carried out by reviewing all laws and regulations related to the legal issue being handled.<sup>6</sup> A normative research must certainly use a statutory approach, because what will be studied are various legal regulations that are the focus of a study. Conceptual approach, namely starting from the views and doctrines that develop in legal science. By studying the views and doctrines in legal science, researchers will find ideas that give birth to legal understandings, legal concepts, and legal principles that are relevant to the issues faced.

Normative legal research, written law is studied from various aspects such as theoretical aspects, philosophy, comparison, structure/composition, consistency, general explanation and explanation in each article, formality and binding force of a law and the language used is legal language. So we can conclude that normative legal research has a broad scope. The legal materials used are primary and secondary legal materials.<sup>7</sup> Primary legal materials are legal materials that are authoritative, meaning that these legal materials have authority or are binding. Primary legal materials can be in the form of laws and regulations, official records or minutes in the making of laws and judges' decisions. The primary legal materials that the author uses are laws and regulations, including:

1. Law No. 28 of 2014 concerning Copyright;
2. Government Regulation Number 56 of 2021 concerning Management of Copyright Royalties for Songs and/or Music;
3. Minister of Law and Human Rights Regulation Number 9 of 2022 concerning Implementation of Government Regulation Number 56 of 2021 concerning Management of Copyright Royalties for Songs and/or Music;
4. Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number HKI.2.OT.03.01-02 of 2016 concerning Ratification of Royalty Rates for Users Who Commercially Utilize Creations and/or Related Rights Products for Music and Songs;

<sup>3</sup><https://www.cnnindonesia.com/hiburan/2023/04/01/0700/11-227-932161/kronologi-perseteruan-ahmad-dhani-larang-once-bawa-lagu-dewa-19>

<sup>4</sup> <https://www.kompas.com/hype/read/2022/04/25/112854966/tri-suaka-dan-zinidin-zidan-kehilangan-ribuan-subscribers-usai-parodikan>  
Hendratanu Atmadja, *Hak Cipta Musik atau Lagu*, Pascasarjana Universitas Indonesia, Jakarta, 2003, h 3

<sup>5</sup> Peter Mahmud Marzuki, *Penelitian Hukum*, (Jakarta: Kencana Prenada Media Grup, 2017),h.194

<sup>7</sup> *Ibid*,h 181

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5. Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number HKI.2.OT.03.01-03 of 2016 concerning Ratification of Improvements and Extension of Validity Period of Royalty Rates for Singing Houses (Karaoke);
6. Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number M.HH.01.KI.01.08 of 2019 concerning the Determination of the Commissioner of the National Collective Management Institution (LMKN) Creator and Commissioner of the National Collective Management Institution (LMKN) Related Rights;
7. Decree of the National Collective Management Institution (LMKN) Number 20160512 B/LMKN Plenary/Royalty Tariff/2016 Concerning Royalty Tariff for Cinemas;
8. Decree of the National Collective Management Institution (LMKN) Number 20160511/TLMKN Plenary/Royalty Tariff/2016 Concerning Royalty Tariff for Shops;
9. Decree of the National Collective Management Institution (LMKN) Number 20160527H/LMKN Plenary/Royalty Tariff/2016 Concerning Royalty Tariff for Hotels and Hotel Facilities;
10. Decision of the National Collective Management Institution (LMKN) Number 20160512KM/LMKN Plenary/Royalty Tariff/2016 Concerning Royalty Tariff for Music Concerts;
11. Decision of the National Collective Management Institution (LMKN) Number 20160504R/LMKN Plenary/Royalty Tariff/2016 Concerning Royalty Tariff for Radio Broadcasting Institutions;
12. Decision of the National Collective Management Institution (LMKN) Number 20160504TV/LMKN Plenary/Royalty Tariff/2016 Concerning Royalty Tariff for Television Broadcasting Institutions;
13. Decision of the National Collective Management Institution (LMKN) Number 20160512PB/LMKN Plenary/Royalty Tariff/2016 Concerning Royalty Tariff for Exhibitions and Bazaars;
14. Decision of the National Collective Management Institution (LMKN) Number 20160512PBKK/LMKN Plenary/Royalty Tariff/2016 Concerning Royalty Tariff for Aircraft, Buses, Trains, and Ships; and
15. Decision of the National Collective Management Institution (LMKN) Number 20160511PR/LMKN Plenary/Royalty Tariff/2016 Concerning Royalty Tariff for Recreation Centers.

## IV. DISCUSSION

### 4.1 Implementation of Royalty Management for Songs and/or Music in Indonesia

The provisions in PP No. 56 of 2021 and Permenkumham No. 9 of 2022 concerning the definition of LMKN, explain that LMKN has the authority to collect, collect, and distribute royalties. Meanwhile, in the definition of LMK, both stated in the Copyright Law, PP No. 56 of 2021, and Permenkumham No. 9 of 2022, it is explained that LMK has the task of managing the economic rights of Creators, Copyright Holders, and/or Related Rights owners in the form of collecting and distributing Royalties. Through these provisions, it can be seen that LMKN has the authority to collect, collect, and distribute royalties, while for LMK its authority is to collect and distribute royalties. as the manager of royalties for songs and/or music in Indonesia, the regulations regarding the authority of LMK and LMKN themselves are as follows:

#### a. Royalty Withdrawal

In relation to the collection of royalties, the amount of royalty rates that must be paid by users who utilize a song and/or music commercially is stated in the Decree of the Minister of Law and Human Rights of the Republic of Indonesia No. HKI.OT.03.01-02 of 2016 concerning the Ratification of Royalty Rates for Users Who Commercially Utilize Creations and/or Related Rights Products of Music and Songs. Article 12 Paragraph (1) of PP No. 56 of 2021 states that LMKN collects royalties from people who commercially use songs and/or music in the form of commercial public services for Creators, Copyright Holders, and Related Rights owners who have become members of an LMK.

Furthermore, Article (2) of the article explains that in addition to collecting royalties for creators, copyright holders, and owners of related rights who have become members of an LMK as referred to in Article (1), the LMKN collects royalties for creators, copyright holders, and owners of related rights who have not become members of an LMK. Therefore, through the provisions regarding the collection of royalties in the Copyright Law and PP No. 56 of 2021, several important things can be understood regarding the collection of royalties for songs and/or music.

**First**, that the royalty collection for the song and/or music is carried out by LMKN and not by LMK. **Second**, that LMKN has the right to collect royalties for songs and/or music for Creators, Copyright Holders and Related Rights owners who are already members, as well as Creators, Copyright Holders and Related Rights owners who are not yet members of LMK. The collection of royalties for songs and/or music here has caused quite serious problems, and can be said to be detrimental to users who use songs and/or music for commercial purposes who have fulfilled their obligations to pay royalties.

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The problem is the double royalty collection, where this royalty collection is carried out by LMK and by LMKN for a hotel.<sup>8</sup> The collection of royalties, which should be the task and authority of LMKN alone, is also carried out by LMK. However, the cause of this problem can actually be understood, where the provisions in the Copyright Law are indeed quite confusing. The problem of double royalty collection has indeed been going on for quite a long time, even before PP No. 56 of 2021 and Permenkumham No. 9 of 2022. The problem of the authority of LMK and LMKN should not happen again, considering that an agreement has been reached to implement the management of royalties for songs and/or music in Indonesia with a 1 (one) door system as agreed in the Bali Declaration on April 26, 2019.

However, unfortunately, until now the confusion over the authority of LMK and LMKN as stated in the Copyright Law has not been corrected. This confusion is related to the overlapping authority of LMK and LMKN as stated in the Copyright Law. Article 88 Paragraph (2) of the Copyright Law explains that there are requirements that must be met by LMK in order to obtain an operational permit, which in letter (d) states that LMK has the aim of collecting, collecting, and distributing royalties; and in letter (e) states that LMK is expected to be able to collect, collect, and distribute royalties to creators, copyright holders, or owners of related rights. Through this, it can be understood that LMK actually has the authority to collect royalties. Meanwhile, based on the provisions in Article 89 Paragraph (2) of the Copyright Law, it is stated that LMKN also has the right to collect royalties. The existence of these provisions in the Copyright Law is what then causes confusion which ultimately has an impact on the emergence of the problem of double royalty collection.

### b. Royalty Collection

In addition to the collection of royalties, the authority of the royalty management institution for songs and/or music is to collect royalties. After collecting royalties, the royalties are certainly not immediately distributed to the Creator, Copyright Holder and Related Rights owner, but are first collected and then distributed. In the provisions of Article 13 Paragraph (1) of PP No. 56 of 2021, it is explained that the party entitled to collect royalties for songs and/or music from users is LMKN. Article 19 of Permenkumham No. 9 of 2022 then states that every royalty collected is collected in the LMKN account.

The collection carried out by LMKN can also be known by all existing LMKs. During the period of royalty collection by LMKN, LMKN coordinates and will then determine the amount of royalties that are the rights of each LMK in accordance with the customs in practice based on justice, this provision is stated in Article 89 Paragraph (3) of the Copyright Law and Article 13 Paragraph (2) of PP No. 56 of 2021. Which for the future, LMKN will determine the provisions regarding the guidelines for determining the amount of royalties and then ratified by the Minister of Law and Human Rights. The guidelines referred to in this case were then realized through the Decree of the Minister of Law and Human Rights of the Republic of Indonesia No. HKI.OT.03.01-02 of 2016. Previously, the researcher also explained the mechanism for collecting royalties for songs and/or music, where LMKN not only collects royalties for Creators, Copyright Holders, and Related Rights owners who have become members of LMK, but also collects royalties for Creators, Copyright Holders, and Related Rights owners who have not become members of LMK. In this collection, if the Creator, Copyright Holder, and Related Rights owner have become members of LMK, then there is no problem, where the royalties obtained will be distributed to the Creators, Copyright Holders, and Related Rights owners. In contrast, for Creators, Copyright Holders, and Related Rights owners who have not become members of LMK, then in accordance with the provisions contained in Article 15 Paragraph (1) of PP No. 56 of 2021 and Article 20 Paragraph (3) of Permenkumham No. 9 of 2022, the royalties are not distributed and are only collected by LMKN.

Royalties for Creators, Copyright Holders, and Related Rights owners who are not yet members of the LMK will be kept by the LMKN to be announced for a period of 2 (two) years. The purpose of providing this period is to inform the Creators, Copyright Holders, and Related Rights owners of a song and/or music that has been utilized for certain commercial interests. In this case, there are 2 (two) possible options, the first is if within the specified period the Creator, Copyright Holder, and Related Rights owner of the song and/or music are known and/or have become members of an LMK, then the royalties will be distributed. However, for the next option, if the Creator, Copyright Holder, and Related Rights owner within the specified period are not known and/or have not become members of an LMK, then the related royalties will be used as reserve funds by the LMKN.

The royalties collected by LMKN here are not necessarily only distributed to Creators, Copyright Holders, and Related Rights owners, Article 14 Paragraph (1) of PP No. 56 of 2021 and Article 18 of Permenkumham No. 9 of 2022 explain that the royalties collected by LMKN will be distributed to Creators, Copyright Holders, and Related Rights owners who have become members of LMK; as operational funds; and as reserve funds. In addition to Creators, Copyright Holders, and Related Rights owners, LMK and LMKN as managers of royalties for songs and/or music in Indonesia are also entitled to the proceeds from royalties for songs and/or music that have been collected by LMKN. The royalty funds that are the rights of LMK and LMKN here are operational funds. LMK and LMKN in exercising their authority to manage royalties for songs and/or music in Indonesia, can use a maximum of 20%

<sup>8</sup> Fajar Pebrianto. "Pengusaha Hotel Ungkap Masalah Tagihan Ganda Royalti Lagu dan Musik". <https://bisnis.tempo.co/read/1450774/pengusaha-hotel-ungkap-masalah-tagihan-ganda-royalti-lagu-dan-musik>

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(twenty percent) of the total amount of royalties collected each year as operational funds. Article 22 Paragraph (2) of Permenkumham No. 9 of 2022 then explains that the use of these operational funds is carried out based on a mutual agreement between LMKN and LMK. These operational funds themselves are a support for commissioners and Daily Executives in carrying out activities related to the tasks they carry out. The provisions of Article 22 Paragraph (4) of Permenkumham No. 9 of 2022 then explain that the implementation of the use of LMKN operational funds is based on the annual budget plan that has been approved through a plenary meeting of LMKN.

Article 24 Paragraph (4) of Permenkumham No. 9 of 2022 further explains what will be classified into the reserve fund, namely: royalties for songs and/or music whose use is not recorded; royalties for songs and/or music for which there are still disputes between owners; or royalties for Creators, Copyright Holders, and/or Related Rights owners who are not registered as members of the LMK. The reserve fund can be used by the LMKN to organize music education; organize social or charity activities; social security for LMK members; and to organize socialization of Copyright and Related Rights related to royalty management.

### c. Distribution of Royalties

The last authority of LMK and LMKN is related to the distribution of royalties. The procedure for distributing these royalties is determined by LMKN. The royalties collected by LMKN will then be distributed by LMKN to authorized LMKs. For Creators, Copyright Holders and Related Rights owners, based on the provisions in Article 87 Paragraph (1) of the Copyright Law, it is explained that in order to obtain their economic rights, every Creator, Copyright Holder and Related Rights Owner must first become a member of the Collective Management Institution. Therefore, it is a requirement for Creators, Copyright Holders and Related Rights Owners to become members of LMK if they wish to obtain their economic rights in the form of royalties.

Distribution carried out by LMKN in accordance with the provisions in Article 14 Paragraph (2) of PP No. 9 of 2022, states that the distribution is based on reports on the use of song and/or music data in SILM. Where for distribution to Creators, Copyright Holders, and Related Rights Owners, in the provisions of Article 14 Paragraph (3) of PP No. 56 of 2021 and Article 20 Paragraph (1) of Permenkumham No. 9 of 2022, the authority to implement it is LMK. Distribution of Royalties to Creators, Copyright Holders, and Related Rights Owners, according to the provisions in Article 21 Paragraph (1) of Permenkumham No. 9 of 2022 is given according to the calculations of each LMK which is based on data on the use of songs and/or music by users. Further provisions in Article 21 Paragraphs (2) and (3) of Permenkumham No. 9 of 2022, states that in carrying out its duties to distribute royalties for songs and/or music that have been obtained, LMK is required to notify LMKN at least 2 (two) times in 1 (one) year regarding the amount distributed, the party receiving the royalties, and user data per type of commercial-based public service.

In relation to the distribution of royalties for songs and/or music in Indonesia, there is data on this matter on the official LMKN website, namely as follows: <sup>9</sup> in 2019, the total royalties distributed were Rp76,239,143,277, and these royalties were distributed through LMK KCI, LMK WAMI, LMK RAI, and ROYALTY DIGITAL to creators amounting to Rp54,678,398,587; distributed to performers through LMK SELMI Performers, LMK ARDI, LMK PAPPRI, and LMK SMI amounting to Rp10,848,221,732; and distributed to record producers through LMK SELMI Producer and LMK ARMINDO amounting to Rp10,712,522,958. Then in 2020, the total royalties distributed were Rp51,288,196,757, and the royalties were distributed to creators through LMK KCI, LMK WAMI, LMK RAI, and ROYALTY DIGITAL amounting to Rp37,692,289,633; distributed to performers through LMK SELMI Performers, LMK ARDI, LMK PAPPRI, and LMK SMI amounting to Rp6,826,335,375; and distributed to record producers through LMK SELMI Producer and LMK ARMINDO amounting to Rp6,769,571,750. Where if seen, there was a significant decrease in the distribution.

### 4.2 Settlement of Disputes Regarding Management of Royalties for Songs and/or Music in Indonesia

Settlement of disputes regarding Copyright in the Copyright Law is explained in Article 95 Paragraph (1) which states that dispute resolution in the field of Copyright can be done through alternative dispute resolution, arbitration, or the courts. Article 95 Paragraph (2) of the Copyright Law further explains that dispute resolution through the courts is carried out through the Commercial Court, which is then emphasized in Article 95 Paragraph (3) of the Copyright Law that courts other than the Commercial Court do not have the authority to handle dispute resolution related to Copyright. Where then Article 96 Paragraph (1) of the Copyright Law explains that Creators, Copyright Holders, and/or owners of Related Rights or their heirs who experience losses to their economic rights have the right to obtain compensation. Article 99 Paragraph (1) of the Copyright Law then emphasizes that Creators, Copyright Holders, or owners of Related Rights have the right to file for compensation with the Commercial Court for violations of Copyright or Related Rights products.

Through the articles in the Copyright Law, it can be understood that if a Copyright violation occurs, the dispute can be resolved either non-litigation or litigation, and if the dispute is resolved through litigation, the court authorized to handle the dispute is the Commercial Court. In relation to the Copyright violation that occurs, if the violation is a violation of economic rights, the Creator,

<sup>9</sup> Lembaga Manajemen Kolektif Nasional (LMKN), "Rincian Distribusi", diakses dari <https://www.lmkn.id>.

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Copyright holder, or Related Rights owner has the right to obtain compensation and can file a lawsuit for compensation with the Commercial Court.

Looking at the explanation regarding dispute resolution as referred to in Article 95 Paragraph (1) of the Copyright Law regarding dispute resolution related to Copyright, perhaps there is no connection between the regulation and the management of royalties for songs and/or music in Indonesia. However, if we look at the explanation of the Copyright Law, namely in the explanation of Article 95 Paragraph (1), then in reality the provisions for dispute resolution related to Copyright in the Copyright Law are related to the issue of dispute resolution related to royalty management. The explanation of Article 95 Paragraph (1) states that one form of dispute related to Copyright is a dispute regarding the tariff in the collection of compensation or royalties. Therefore, referring to this, it can be interpreted that if a dispute occurs regarding the tariff in the collection of royalties carried out by LMKN, then the dispute can be resolved through alternative dispute resolution, arbitration, or the courts as referred to in Article 95 Paragraph (1) of the Copyright Law.

PP No. 56 of 2021, which is the implementing regulation for the Copyright Law and Permenkumham No. 9 of 2022, which is a derivative regulation of PP No. 56 of 2021 as a Law on Copyright that specifically explains the management of royalties, explains more clearly and explicitly the resolution of disputes related to the management of royalties for songs and/or music in Indonesia. PP No. 56 of 2021 and Permenkumham No. 9 of 2022 regulate the resolution of disputes that may occur related to the discrepancy in the distribution of royalties to Creators, Copyright Holders, or owners of Related Rights. Article 16 of PP No. 56 of 2021 explains that if a dispute occurs regarding the distribution of the amount of royalties, the Creator, Copyright Holder, or owner of Related Rights can submit it to the Directorate General of Intellectual Property to be resolved through mediation.

Similarly, Permenkumham No. 9 of 2022 also explains the settlement of disputes related to the distribution of royalties as stated in Article 21 Paragraph (4) which explains that in the event of a dispute related to the discrepancy in the distribution of royalties, the dispute will be resolved through mediation. However, unlike Article 16 of PP No. 56 of 2021 which states that Creators, Copyright Holders, or Related Rights owners must submit it to the Directorate General of Intellectual Property, Article 21 Paragraph (4) of Permenkumham No. 9 of 2022 actually explains that in relation to the settlement of the dispute, Creators, Copyright Holders, or Related Rights owners must submit it to LMKN.

Settlement of disputes over the distribution of royalties for songs and/or music, the provisions contained in PP No. 56 of 2021 and Permenkumham No. 9 of 2022 are apparently not harmonious. The disharmony of these regulations can then cause confusion regarding their implementation, both for DJKI, LMKN, and even among the public. This disharmony should be straightened out so that the management of royalties for songs and/or music in Indonesia can be implemented optimally. However, if examined more closely, it can actually be interpreted that disputes over the distribution of royalties for songs and/or music can be resolved through mediation through LMKN. This interpretation itself is not without foundation, where this interpretation can be drawn because of the provisions in Article 5 of Permenkumham No. 9 of 2022 which states that one of the functions of LMKN is to carry out mediation on disputes over the distribution of royalties carried out by LMK if there are objections from members of the LMK.

In addition, Permenkumham No. 9 of 2022 as a regulation that emerged after PP No. 56 of 2021, then according to the principle of *lex posterior derogat legi priori*, the provisions in Permenkumham No. 9 of 2022 apply. PP No. 56 of 2021 and Permenkumham No. 9 of 2022 do not provide further explanation regarding the resolution of other disputes if mediation cannot resolve the dispute that occurs. Regarding this matter, it can be seen in the related Laws and Regulations that are more general in nature. Referring to the provisions in the Copyright Law, if the distribution dispute cannot be resolved through mediation, then the dispute can basically be resolved through litigation through the Commercial Court in accordance with the provisions of Article 95 of the Copyright Law, considering that dispute resolution through litigation is the last resort that can be taken to resolve an existing legal problem.

## V. CONCLUSION

1. The implementation of royalty management for songs and/or music by LMK and LMKN is related to the authority to collect, collect and distribute said royalties. The authority to collect royalties for songs and/or music according to the provisions of Article 12 of PP No. 56 of 2021 must be carried out by LMKN. Where later, the royalties will be collected first by LMKN, to separate which are operational funds, reserve funds, and royalties to be distributed. LMKN then distributes the funds to be distributed to LMK, because according to the provisions of Article 14 Paragraph (3) of PP No. 56 of 2021 and Article 20 Paragraph (1) of Permenkumham No. 9 of 2022, it states that LMK has the right to distribute royalties to Creators, Copyright Holders and Related Rights owners. The royalties distributed by LMKN are collected first by LMK, before being distributed to the Creators, Copyright Holders and Related Rights owners who have become members of the LMK.

2. Efforts to resolve disputes related to the management of royalties for songs and/or music in Indonesia as stated in the provisions of Permenkumham No. 9 of 2022, explicitly only include the settlement of disputes over the distribution of royalties. Even the settlement provided in accordance with that stated in Article 21 Paragraph (4) of Permenkumham No. 9 of 2022 is only a settlement through mediation through LMKN. However, if examined carefully, the Copyright Law explains that the settlement of disputes related to Copyright can be carried out non-litigation and litigation. So it can be concluded that if no agreement is reached in mediation, then the settlement of disputes over the management of royalties for songs and/or music can be resolved through litigation

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through the Commercial Court. In addition, the provisions in Article 95 Paragraph 1 of the Copyright Law also explain that the settlement of disputes regarding the withdrawal of royalties can be resolved in accordance with the provisions contained in the Copyright Law itself.

### VI. SUGGESTION

Through the conclusions that have been presented by the author, there are several suggestions that are deemed necessary to be given so that the management of royalties for songs and/or music in Indonesia can run as well as possible and so that the institution that manages royalties for songs and/or music can fulfill the initial purpose of its existence. These suggestions include the following:

#### A. For the Minister of Law and Human Rights

1. Improving related Legislation The Legislation referred to in this case includes the Copyright Law, PP No. 56 of 2021, and Permenkumham No. 9 of 2022. Where it is necessary to emphasize and clearly explain the authority of LMK and LMKN, so that the understanding obtained by everyone is the same, and to clearly separate the regulations regarding LMK and LMKN so that they are not misinterpreted and cause overlapping authority as is currently the case.

2. Simplifying the existence of royalty management institutions for songs and/or music in Indonesia, which can be done through several options, namely:

- a. Merging LMK and LMKN into a single institution that manages royalties for songs and/or music in Indonesia, or
- b. Assigning the authority to manage royalties to only 1 (one) institution, so that royalty management is truly carried out through 1 door.

#### B. For LMK and LMKN

It is hoped that LMK and LMKN can truly organize the management of royalties for songs and/or music in Indonesia in a transparent manner, so that everyone can obtain information related to the management of royalties organized by LMK and LMKN, regarding how to collect, collect, and distribute royalties for songs and/or music in Indonesia in a concrete manner.

#### C. For Creators, Copyright Holders and Related Rights Owners

Creators, Copyright Holders, and Related Rights owners who have not joined or are not yet members of LMK are expected to immediately join and become members of LMK so that royalty management in Indonesia can run well.

#### D. For Commercial Users of Songs and/or Music

Users of songs and/or music are expected to be wise in using songs and/or music, especially when used for commercial purposes. Users who use songs and/or music for commercial purposes are expected to fulfill their obligations to pay royalties to the Creator, Copyright Holder and Related Rights owner through LMKN.

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