

February 2026

# Summary of CCIA Comments on Part 1 of India's Working Paper on Generative AI and Copyright

On February 4, the Computer & Communications Industry Association (CCIA)<sup>1</sup> filed comments<sup>2</sup> in response to the Department for Promotion of Industry and Internal Trade's (DPIIT) recent working paper on generative artificial intelligence (AI) and copyright.<sup>3</sup> The "One Nation, One License, One Payment" framework proposes a mandatory blanket licensing framework that would permit AI developers to train on qualifying Indian content on a royalty basis, while rejecting a text and data mining exemption. Under this model, rightsholders would be unable to withhold their works from AI training, and a centralized, government-designated non-profit entity would collect and distribute royalties. A government-appointed committee would set royalty rates, and both members and non-members of CMOs would be eligible to receive remuneration if they register their works.

As proposed, this framework risks transforming copyright from a balanced incentive system into a generalized toll on information. CCIA's comments to the Indian government emphasize that copyright frameworks must remain flexible to prioritize innovation and public access to information.

## The Realities of AI Training

The paper's framing of AI training as a "market failure" requiring centralized licensing stems from a misunderstanding of how generative AI functions.

- **Non-Expressive Use:** Training involves analyzing statistical patterns and facts, not reproducing expressive works for public consumption.
- **Mathematical Parameters:** Models consist of optimized mathematical models, not a repository of copyrighted content.
- **Idea/Expression Dichotomy:** Treating computational analysis as a taxable event contradicts the core principle that copyright protects expression, not underlying ideas or data.

## Key Industry Concerns

The proposed centralized, retroactive, and compulsory licensing model raises significant concerns. The framework:

- **Creates artificial boundaries around information otherwise lawfully accessible:** A centralized licensing mandate would create artificial scarcity regarding publicly available materials and content acquired through lawful means.

<sup>1</sup> CCIA is an international, not-for-profit trade association representing a broad cross section of communications and technology firms. For more than fifty years, CCIA has promoted open markets, open systems, and open networks. For more, visit [www.ccianet.org](http://www.ccianet.org).

<sup>2</sup> <https://ccianet.org/news/2026/02/ccia-files-comments-on-indias-ai-and-copyright-consultation/>

<sup>3</sup> Referred to herein as "the paper", available at: <https://www.dpiit.gov.in/static/uploads/2025/12/ff266bbeed10c48e3479c941484f3525.pdf>

- **Imposes a financial burden that disproportionately affects U.S. tech firms:** The proposed pegging of royalties to a percentage of an AI developer’s global revenue rather than on actual usage of Indian works effectively functions as a digital services tax that disproportionately affects U.S. technology companies, levied under the guise of copyright administration.
- **Incentivizes low-quality content creation and deter voluntary licensing arrangements:** A compulsory, centralized licensing framework would risk the creation of perverse incentives that reward quantity over quality. By basing remuneration on the number of registered works, the proposal will encourage the proliferation of duplicative or low-quality ‘junk’ content created solely to capture licensing revenue.
- **Distorts markets by favoring inefficient collective management entities:** The model would also disproportionately benefit collective management organizations (CMOs). Centralized licensing schemes tend to consolidate bargaining power and channel payments through intermediaries with limited transparency or accountability regarding how proceeds are distributed. The structure risks reinforcing market concentration rather than fostering a diverse creative ecosystem.
- **Discourages investment in digital infrastructure:** The proposal links long-term investments in digital infrastructure (such as data centers) to open-ended and unpredictable financial obligations. By creating a framework where physical infrastructure acts as a trigger for global revenue-linked royalties, India will deter investment in such infrastructure.
- **Entrenches rigid, regulatory complexity without needed flexibility for emerging technologies:** Centralized licensing regimes are inherently prescriptive and slow to adapt to new innovations. As AI technologies rapidly evolve, such rigidity is particularly problematic. Attempting to regulate AI training through this kind of effort would require continual revision and likely lag behind technological developments.
- **Likely faces Constitutional challenges:** The proposal may also encounter legal hurdles under Indian law. Applying royalties retroactively to models already trained could violate the ‘Doctrine of Fairness’ established by the Indian Supreme Court in *CIT v. Vatika Township Pvt. Ltd.* (2014).

## Recommendations

No major jurisdiction, including the U.S., European Union, Japan, or Singapore, has adopted a “one license, one pay, one model” approach. Instead, they rely on flexible exceptions like fair use or text and data mining. CCIA recommends the Indian government:

1. **Adopt a specific TDM exemption**
2. **Preserve lawful access to training data**
3. **Encourage market forces to incentivize publishers more equitably**
4. **Avoid any regulations that apply extraterritorially**
5. **Clarify that this proposal only applies prospectively**
6. **Preserve lawful access to training data**
7. **Foster competition and domestic innovation**
8. **Protect trade secrets**