SheppardMullin Al Law and Policy

Legal Considerations Involving Artificial Intelligence

Indian Music Industry Enters the Global Copyright Debate Over Al



By Samuel Cohen on February 24, 2025

Listen to this post

The legal battles surrounding generative AI and copyright continue to escalate with prominent players in the Indian music industry now seeking to join an existing lawsuit against OpenAI, the creator of ChatGPT. On February 13, 2025, industry giants such as Saregama, T-Series, and the Indian Music Industry (IMI) presented their concerns in a New Delhi court, arguing that OpenAI's methods for training its AI models involve extracting protected song lyrics, music compositions, and recordings without proper licensing or compensation. This development follows a broader trend of copyright holders challenging generative AI companies, as evidenced by similar claims in the U.S. and

Europe.

This case was originally filed by Asian News International (ANI), a leading Indian news agency, which alleged that OpenAI had used its copyrighted content without permission to train its AI models. Since then, the lawsuit has drawn interest from music companies, book publishers, and news organizations, all highlighting the alleged economic harm and intellectual property concerns stemming from these practices in India. The proceedings emerge amid a global backlash against the use of copyrighted materials in AI training. In November 2024, GEMA, Germany's music licensing body, filed a lawsuit against OpenAI, alleging that the company reproduced protected lyrics without authorization. In parallel, lawsuits from authors and publishers in the U.S. have accused OpenAI and other AI platforms of improperly using copyrighted materials as training data.

The unfolding litigation raises critical questions about the boundaries and applicability of 'fair use' within the context of AI in the digital age. While OpenAI maintains that its reliance on publicly available data falls within fair use principles, commentators warn that a ruling against the tech giant could set a precedent that reshapes AI training practices not only in India but worldwide—given the global nature of AI development and jurisdiction-specific nuances of copyright law. As courts grapple with these complex issues, both creative industries and the broader tech community are watching closely to understand how emerging precedent and legal frameworks around the world might influence future AI development and deployment.

As legal challenges mount globally, this litigation is another reminder for businesses developing AI models or integrating AI technologies to proactively assess data privacy and sourcing practices, secure appropriate licenses for copyrighted content, and thoroughly review existing agreements and rights to identify any issues or ambiguities regarding the scope of permitted AI use cases. Beyond obtaining necessary licenses, companies should implement targeted risk mitigation strategies, such as maintaining comprehensive records of data sources and corresponding licenses, establishing internal and (where appropriate) external policies that define acceptable AI use and development, and conducting regular audits to ensure compliance. For any company seeking to unlock AI solutions and monetization opportunities while safeguarding its business interests, engaging qualified local legal counsel early in the process is essential for effectively navigating the evolving

global patchwork of fair use, intellectual property laws, and other relevant regulations.

Al Law and Policy

Copyright © 2025, Sheppard, Mullin, Richter & Hampton LLP. All Rights Reserved.