FOREWORD

All glory and gratitude be unto God by whose abundant grace, mercy, and guidance, the writer was able to properly complete this thesis titled: "THE REGULATIONS OF ROYALTIES ON MUSIC STREAMING UNDER THE INDONESIAN LAW AND THE UNITED STATES MUSIC MODERNIZATION ACT: A COMPARATIVE STUDY" that will serve as one of the academic requirements to obtain the Bachelor of Law Degree in Business Law program at the Faculty of Law of Universitas Pelita Harapan in 2020.

The writing of this thesis will serve as one of the academic requirements in order to obtain the Bachelor of Law Degree, concentrating in Business Law from Universitas Pelita Harapan Faculty of Law.

In the process of writing this thesis, the writer realizes that without generous support from many sides, this thesis would not be finished in time. Therefore, the writer would like to use this opportunity to express earnest gratitude, appreciation, and highest respect to:

- Prof. Dr. Bintan R Saragih, S.H., as the Dean of Faculty of Law Universitas
 Pelita Harapan;
- 2. Dr. Vincensia Esti P.S., S.H, M.Hum, as the Head of Law Department Universitas Pelita Harapan;

- 3. Dr. Velliana Tanaya, S.H., M.H. as the Director of Faculty of Law Universitas Pelita Harapan;
- 4. Dr. Susi Susantijo, SH., LL.M, as the writer's Academic Supervisor, thank you for all the kind attention and patience in helping writer during writer's study in the Faculty of Law;
- 5. Dr. Henry Soelistyo Budi, S.H.,LL.M, as the writer's lecturer and Advisor of this thesis. Thank you for your kindness and patience in guiding the writer to finish this research. The writer truly appreciates all of the time given to maximize the result of this thesis.
- 6. All of the lecturers and staffs of the Faculty of Law Universitas Pelita Harapan that writer cannot mention one by one. Undoubtedly, they have contributed greatly during writer's 3 years of study at the Faculty of Law. Thank you for the knowledge and assistance given.
- 7. Writer's dearest parents, Soehartono Tanu and Ernawati, thank you for your endless love and support. Your sacrifices and encouragements will never be forgotten. To writer's dearest sister, Gabriella Agata who always offers me some snack and food while doing my research.
- 8. Writer's interviewee, Riyo Hanggoro Prasetyo, who helps the writer's to complete this thesis through sharing some experiences within the music entertainment industry.
- 9. Writer's best friend, Aisha Chandra Suny who always available to helps the writer's during the making of this thesis and kept the writer's motivated.

10. Writer's close friends, who always there to cheer and spends memorable moments together during the university days. These people include: Dinaomi Situmorang, Hana Milenia, Erica Felicity, Natasha Sagita, Jesslyn Gouwandi, Andrieta Rafaela, Qyra Nugraha, Felicia Himawan, Jannah Mumtaza, Christina Faith, Celine Wie, Charlene Octavian, Elnisi, Mei Xiang, Michael William, Evan Nathaniel, Richard Theodorus, and Jericho Xavier, Julian

11. One of the IPR thesis group member, Chelsya Mulyadi, for helping me in doing my thesis through answering several of my questions.

12. Lastly, to anyone who the writer fails to mention yet has supported the writer through the making and completion of this thesis. Thank you all.

Finally, the writer realizes that in writing this thesis there is still a lot of deficiency, either systematically or substantially. Thereby, the writer will gladly and humbly accept any input and correction given, for the improvement of this thesis. The writer hope that the completion of this thesis will make significant contribution in the field of knowledge, for the development of education in our beloved country, Indonesia.

Karawaci, 1 December 2020 Writer,

(Rachel Angela)

TABLE OF CONTENTS

COVER	i
THESIS AUTHENTICITY STATEMENT	ii
THESIS ADVISOR APPROVAL	iii
APPROVAL OF THESIS EXAMINERS	iv
ABSTRAK	V
FOREWORD	vi
TABLE OF CONTENTS	ix
CHAPTER I: INTRODUCTION	1
1.1 Background	1
1.2 Formulation of the Issue	27
1.3 Research Purpose	27
1.4 Research Benefit	28
1.5 Structure of Writing	28
CHAPTER II: LITERATURE REVIEW	30
2.1 Theoretical Framework	30
2.1.1 Welfare State Theory	30
2.1.2 Law Enforcement Theory	34

2.1.3 Justification of IPR Protection Theory	40
2.2 Conceptual Framework	45
2.2.1 Regulation	45
2.2.2 Music	45
2.2.3 Music Streaming	46
2.2.3.1 Definition	46
2.2.3.2 Development	46
2.2.4 Royalty	48
2.2.5 Indonesian Law	50
2.2.5.1 History	50
2.2.5.2 Source of Law	50
2.2.6 The United States Law	53
2.2.6.1 United States Act on Copyright	53
2.2.6.2 Music Modernization Act	54
2.2.7 Comparative Study	57
CHAPTER III: RESEARCH METHODOLOGY	58
3.1 Definition of Research Methodology	58
3.2 Types of Research	60
3.3 Research Approach	61

3.4 Types of Data	63
3.5 Data Analysis Technique	65
3.6 Data Analysis	66
3.7 Obstacle and Solutions	66
CHAPTER IV: DISCUSSION AND ANALYSIS	67
4.1 The Regulations of Copyright Law on Royalty for Music Streaming	
Activities in Indonesia	67
4.1.1 Background Overview	67
4.1.2 Legal Basis	73
4.1.2.1 Relevant National Law and Regulations	73
4.1.2.2 Relevant International Agreements and Conventions	78
4.1.2.3 Comparison to the Music Modernization Act of the United Stat	es 83
4.1.3 Research Findings and Analysis	91
4.1.3.1 Research Findings	91
4.1.3.2 Analysis based on Legal Theories	91
4.1.4 Expert Opinions	97
4.1.5 Summary of Normative Research and Impact Assessment	100
4.2 The Implementation of Copyright Law on Royalty Collection for Music	
Streaming Activities in Indonesia	101

4.2.1 Cases Chronology101
4.2.2 Legal Basis104
4.2.3 Case Analysis based on Legal Theory108
4.2.4 Research Findings
CHAPTER V: CONCLUSION AND SUGGESTION116
5.1 Conclusion
5.1.1 There is Inadequate Regulations Under the Copyright Law Regarding
the Music Streaming Royalties in Indonesia116
5.1.2 There is Ineffective Legal Protection and Lack of Public Awareness
Caused by the Unavailability of Mechanical Rights Organization and the
Inadequate Guidelines and Regulations117
5.2 Suggestion
5.2.1 The Requirement to Establish a Specific Regulation that Governs the
Mechanism of Music Streaming Royalties118
5.2.2 Portamento as a Solution and the Requirement to Provide a Legal
Protection for the Guidelines that will be Established by Portamento118
BIBLIOGRAPHY