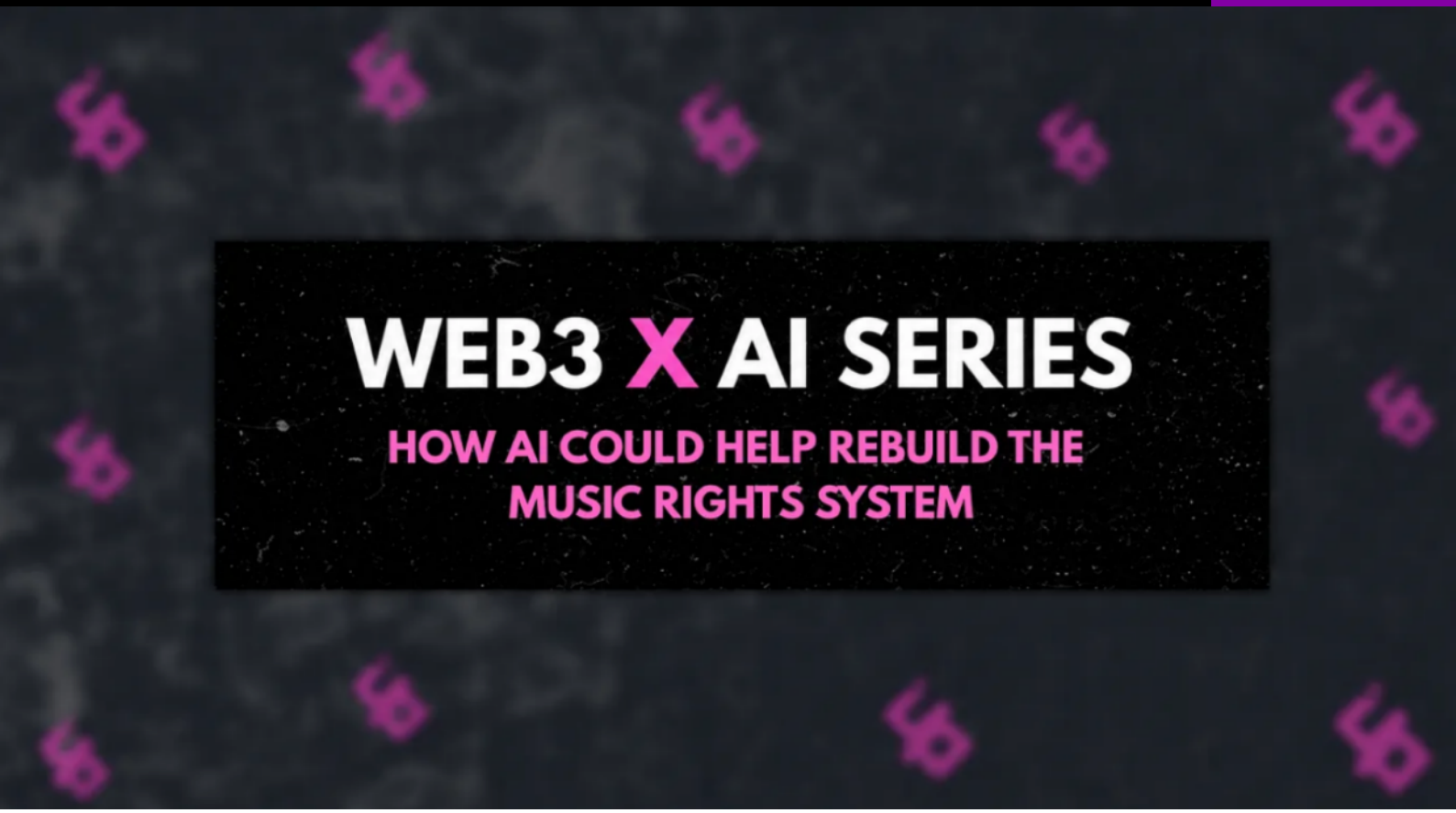


Web3 x AI Series | How AI Could Help Rebuild the Music Rights System

In 1999, an eighteen-year-old college student named Shawn Fanning released Napster, a file-sharing program that turned recorded music into something closer to water than product, slipping through the industry's controlled channels with a speed that made record stores, CD plants and label-managed release schedules feel built for another age. One listener with a file could become a distributor to millions of others, and the distance between a private collection and public circulation collapsed almost overnight.

The industry called it piracy, and well, legally it was, but the deeper shock came from seeing how weak the old system looked once music stopped moving through objects that could be pressed, shipped, scanned and audited. A CD had to pass through a commercial chain before reaching the listener, which made it possible to count in a way the business understood. An MP3 could appear across dorm rooms and hard drives before the industry had even agreed what kind of threat it was facing, creating a rights crisis that belonged as much to infrastructure as copyright law.

Napster was eventually sued, restricted, shut down and absorbed into music history as a warning, but the behavior it revealed became permanent because listeners had already learned that songs could move outside the official channels, beyond the timing of retailers, broadcasters, publishers, labels and collection systems. The internet didn't simply create a piracy problem, it exposed the distance between how music really moved and how the business expected to account for it.

Almost three decades later, AI has opened a much larger creative field, allowing music to be transformed, extended and reimagined in ways that were previously impossible for most artists and producers to access. It also creates a more complex version of the rights problem Napster exposed. Napster asked whether a song could be shared without permission, but AI asks how a song, voice, performance or creative identity can become part of something new without separating that opportunity from consent, attribution and payment.

This is not really unique to AI, which is what makes the current moment so important. Napster first showed what happened when music could leave the official channels before the industry knew how to count it, sampling dragged older contracts and permissions into new records, and streaming made legal access easy without making ownership, splits and payment any easier. AI is the newest stage of that shift, only faster and harder for the existing system to follow. Music can now be used for training, transformed into new forms and combined with human work at a scale the old rights infrastructure was never designed to manage.

Done properly, that can create new tools, licensing markets and sources of income for artists, but only if the record of who created the material, who controls it, what use was approved and where the payment should go can keep up.

Music is one of the best ways to understand why Uptick's infrastructure is useful, because AI can separate the output from the permission behind it almost immediately. A voice model can generate hundreds of tracks, a licensed stem can be reused across different releases, and a recording approved for one form of training can surface inside tools and outputs the original rights holder never expected. The music keeps moving, but the record explaining who approved the use, what they approved and which payment terms apply stays behind.

The industry needs a way for the permission to be recorded as part of the digital asset from the beginning, and that is exactly what Uptick can provide. A voice model, training license, sample or generated track can receive a unique identifier, with creator information, recorded ownership, permitted uses and royalty terms attached through its rights metadata. The resulting output can then stay connected to the asset and authorization it came from, rather than entering distribution as a finished file with no visible record of how it was made or whether the underlying use was approved.

The music rights system looks fairly simple from the outside because a listener presses play, one song starts, and the whole thing feels like a single object. The reality behind that song actually has a lot more nuance, with one

person writing the melody, another shaping the production, another performing the vocal, and someone else controlling the recording that eventually reaches the listener. A sampled phrase from a decades-old record can sit inside the same track, pulling old contracts and permissions into the economics of a new release, so the listener hears one song as the royalty system tries to work out the chain of people and rights behind it.

For decades, this system just about held together because the business moved slowly enough for the friction to hide. Labels handled recording and distribution, publishers administered compositions, performing rights organizations (PROs) collected performance royalties, and collection systems tried to keep usage connected to ownership. It wasn't the ideal solution, but disputes moved at the speed of lawyers, audits and paperwork rather than automated upload pipelines.

Streaming changed this balance by making legal music easier to reach than piracy, and the industry returned to growth, with recorded music revenues reaching $31.7 billion in 2025 as streaming accounted for almost 70 percent of recorded music income. The platform became the record store, the radio station, the recommendation engine and the listening device in one interface. On the surface, this looked like the industry had found its way out of the mess, but access and accounting are not really the same thing.

A platform can count usage with incredible precision and still fail to connect that usage to the correct rights holder if the metadata is incomplete, conflicting, outdated, or trapped in a system that doesn't match the one making the payment. After the play button, the system still has to identify the recording, match it to the composition, apply the right license, calculate the payment and route the money to the people entitled to receive it. When the record is incomplete, money sits unmatched. When the split is wrong, the wrong party gets paid. When a contribution is missing, the person who helped create the work disappears from its economics.

The Mechanical Licensing Collective exists partly because legal streaming still produced a huge historical residue of unmatched royalties, with streaming activity from 2007 to 2020 leaving money that couldn't be paid out easily until a new system was built to match and distribute it. A modern music economy still found itself stuck on a very old problem, because the music had moved and the record of who was owed what had not kept up.

De La Soul's catalog showed the cultural version of the same failure, as some of the group's classic albums stayed off streaming services for years because old sample clearances and a long-running dispute over the terms of the group's label deal hadn't been resolved. Fans wanted the music, platforms wanted the catalog, and the artists wanted the work available, but unresolved clearances and commercial terms kept commercially valuable music stuck behind a rights record that couldn't move with the same ease as the song itself.

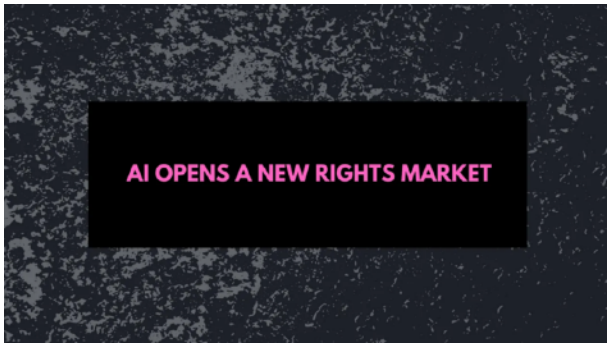
Platform power makes the problem even worse because the companies that control discovery often control reporting visibility and enforcement too. Musicians depend on platforms to reach listeners, but they also depend on them to explain what happened after the music moved, how much value was created, which royalties were withheld, which tracks were flagged and which decisions can be challenged. The song can travel everywhere, but the record explaining what happened to it stays locked behind another interface.

AI makes the royalty problem more challenging because one output can depend on several separately controlled inputs. A generated track might use a licensed voice model, a human-written composition, a cleared recording and AI-produced stems, with a different permission and payment obligation attached to each one. Counting the stream is only the final step, because the system first has to know which assets contributed to the output, who authorized their use and which share is owed under each agreement.

Uptick's copyright and royalty management module gives those permissions somewhere to remain attached as the music moves. It's designed in such a way so that a rights holder could record how a voice model, sample or other digital asset may be used, which royalty terms apply and whether the permission is later transferred, extended or withdrawn, keeping those changes connected to the same underlying asset rather than spreading them across replacement contracts and separate platform statements.

That becomes pretty important when a generated track depends on several licensed inputs, because the voice model, sample, composition and finished recording don't have to be collapsed into one vague claim that everything was cleared. Each permission can stay connected to the asset it covers and to the later work that depends on it, giving compatible licensing or distribution applications a clearer record of what was authorized before the track moves again.

When the covered licensing or payment activity takes place through one of those applications, smart contracts can apply the encoded split against the same record that established the permission. Uptick can't resolve a disputed claim or identify a rights holder who was never recorded, but once the ownership and permission have been established and enters the pipeline, it can keep the grant, the later use and the resulting payment connected instead of allowing the record to fall behind the music again.



AI expands what music can be made from, and a producer can work with generated stems, licensed voice models, transformed recordings and human performances inside the same track, opening brand new forms of collaboration that don't fit neatly into the old categories of sampling or cover versions. That creative range becomes difficult to support when the path behind the finished output stays hidden, because the system still needs to know which human and digital contributions were involved, what was authorized and how the resulting value should be divided.

That opacity is now an industrial problem, rather than a speculative one, as we can see with Deezer reporting in July 2026 that it was receiving nearly 90,000 fully AI-generated tracks per day, with AI-generated music exceeding half of all new uploads on peak days in June. AI music isn't arriving as a few niche experiments at the edge of the industry, but as a massive production shift that becomes a big problem the moment money starts moving.

The old piracy debate was easier to understand because the copied object already existed. Someone uploaded a commercial recording, someone downloaded it, and even when the legal arguments became complicated, the object itself was not that

mysterious. AI music is harder to classify because a model can learn from large bodies of music and generate a track that doesn't reproduce any one song directly. While that sounds a bit scary, it actually creates real room for new creative tools and licensed forms of generation, but it also moves the rights question upstream, toward the material used to build the model and the terms under which artists participate.

The lawsuits around Suno and Udio showed how far upstream this question had moved, with major record companies alleging that copyrighted recordings were copied and exploited without permission to build commercial generation services, as the companies behind those tools argued that training was lawful and their systems created new works. Some of those disputes have since shifted into licensed partnerships, with Warner settling with both companies and Universal settling with Udio, but other claims are still active. Either way, the industry is no longer only asking who gets paid when a song plays, it's asking whether the material used to build the system should have been licensed before the song existed.

Voice cloning makes the issue even more problematic because a voice carries identity and commercial value in a way that can't be reduced to ordinary composition rights. The fake Drake and The Weeknd track 'Heart on My Sleeve' landed as a warning because it sounded less like a random novelty and more like a plausible leak from the streaming economy itself. Listeners didn't need a legal theory to understand the discomfort, because a voice carries reputation, recognition, fan attachment and ultimately, money.

Tennessee's ELVIS Act, signed in 2024, extended protection around name, image, likeness and voice in response to AI cloning, showing that lawmakers understood a voice couldn't be treated as a minor variation of ordinary copyright. State-level protection won't carry an industry operating across platforms and jurisdictions, but the direction is obvious. AI forces music rights to account for identity and consent as part of the economic life of music, rather than treating them as reputational issues outside the payment system.

Despite these issues, AI also creates one of the first real chances to rebuild music rights around creation itself. Artists can license approved voice models, define how their work can be used for training or generation, collaborate through new forms of human and machine-assisted production, and receive payment through terms established before release.

In the older system, a lot of the time, rights were cleaned up after the work had already traveled, but AI creates the opportunity to place consent, attribution and payment at the beginning of the creative process instead.

AI has the potential to operate as a new creative and licensing layer built around artist participation. Grimes' Elf.Tech gave creators the ability to use an AI version of her voice commercially for a royalty split, and the important part was not only the novelty of hearing a synthetic Grimes vocal, but the structure around permission. The voice became a licensable creative asset, allowing other producers to experiment with it under

rules and payment terms established by the artist before release.

A producer should be able to license an artist-approved voice model, a songwriter should be able to define whether their catalog can be used in a specific training or remix arrangement, and artists should be free to use AI as part of their own creative process without being treated like automated accounts flooding platforms with disposable tracks. The boundary will not always be easy to draw, but a system built around clear authorization can support legitimate experimentation and still separate it from fraud, impersonation and unlicensed use.

Tidal's 2026 policy shows that platforms are starting to draw those lines regardless, and the company stopped paying royalties on fully AI-generated tracks on July 15. The policy will be debated because detection is difficult and the line between assisted and generated is murky at best, but platforms are now being forced to decide what deserves payment, what deserves disclosure, and what should be excluded from monetization entirely.

Platform policy alone can't become the rights system, especially when each service can apply a different standard at the exact moment the industry needs clearer records around consent, attribution, usage and payment.

The Mechanical Licensing Collective's backlog existed because the record proving who was owed money lived in a different place from the record proving what had actually happened. AI could produce that same failure faster, with voice models and generated stems creating derivative claims before any registry catches up.

Uptick's copyright and royalty management module allows the permission to begin with the AI asset rather than being reconstructed after the output has already spread like wildfire. An approved voice model could receive a unique identifier linked through Uptick DID to its artist or authorized controller, with metadata defining whether it can be used for training, generation, commercial release or derivative work. The same record could include the license period, usage restrictions, royalty terms and any limits on sublicensing, and fuller agreements and provenance files stay linked through decentralized storage rather than surviving only inside the model provider's private system.

An AI-generated track could depend on several permissions that don't come from the same party. Approval to use a recording for model training doesn't necessarily cover the composition beneath it, and permission to use an artist's voice for one commercial release doesn't open that voice to unrestricted generation. The beauty of building on Uptick is that it allows those approvals to stay separate, all while connecting each one to the resulting work.

Those permissions can also continue changing without breaking the history around them. A license can expire, a usage right can be extended, a royalty term can be updated through an authorized action, or control of the underlying asset can move to another party.

Uptick keeps those changes attached to the same rights record, creating a continuing path

from the original consent to the outputs and transactions that followed.

De La Soul's catalog wasn't stuck because the music had no value, it was stuck because the permissions around it couldn't move easily into a new listening environment. AI can repeat that problem at a much larger scale, with one approved model producing thousands of outputs that pass through creation tools, distribution platforms and blockchain networks that never saw the original agreement.

Uptick's cross-chain copyright management functionality keeps the identifier, recorded controller, usage rights and authorization history connected as the asset moves between supported networks. The legal right still comes from the underlying agreement and the party authorized to grant it, but the record linking an AI-generated track back to an approved voice, licensed stem or training asset doesn't have to be left behind with the application where it was created.

A producer licensing an approved voice model could check whether commercial release is permitted, whether the voice may be altered, how long the approval lasts and which royalty share applies before generating the track.

Once the track exists, its record can stay linked to both the model and the license used to create it, allowing a later platform to check whether the permission was active and whether the planned use falls inside its scope.

A licensed sample can carry a separate record for the source recording, the party granting the clearance, the permitted use and the royalty terms attached to it. Where the recording and composition require different approvals, Uptick can keep each permission distinct but connect both to the resulting track. One AI output can depend on several rights controlled by different parties, so the system needs to preserve those differences rather than reducing everything to a single claim that the music was licensed.

None of this means PROs, labels, publishers or collection systems disappear overnight, because they still establish, administer and resolve the rights behind the music, but Uptick finally allows the permissions they recognize or grant to stay connected to the voice, recording, composition or model as it enters the AI process, and to the outputs created from it afterward.

The authorization can be recorded before generation, updated as its terms change and checked again before the resulting work is distributed or monetized. The AI platform no longer has to be the only place where the relationship between the source material, the permission and the output exists. Music has been missing this for a long time because the industry became very good at moving sound, without becoming equally good at moving the rights record with it.

The history of music technology has never been a clean march of progress. Radio expanded reach but created new royalty fights, sampling expanded musical language but created clearance battles, Napster broke distribution control, and streaming made access easier but concentrated power inside platforms.

AI is the next break in that chain, arriving before the last system has fully fixed its own royalty problems. It does however create a chance to build something better, with artists choosing how their work enters the AI economy, producers gaining access to new creative tools, and permissions and payments established before the resulting music begins to circulate.

Uptick is designed to keep that permission connected from the voice, recording, composition or model entering the AI process through to the outputs, licenses and payments that follow. The record can show who authorized the use, which material the permission covered, what restrictions applied and where the resulting value should go.

AI can generate music faster than any manual rights system can review it, but the connection between consent and output doesn't have to disappear once the first track is created.

Music has always escaped the containers built around it, from physical records to file-sharing networks to streaming platforms. AI continues that movement by giving artists and producers new ways to transform, extend and generate music, but its potential depends on a rights system capable of moving at the same speed.

The recurring theme is that the record has to move with the work, so consent stays visible, creative contributions stay connected and the value created by AI can return to the people who really made it possible.

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