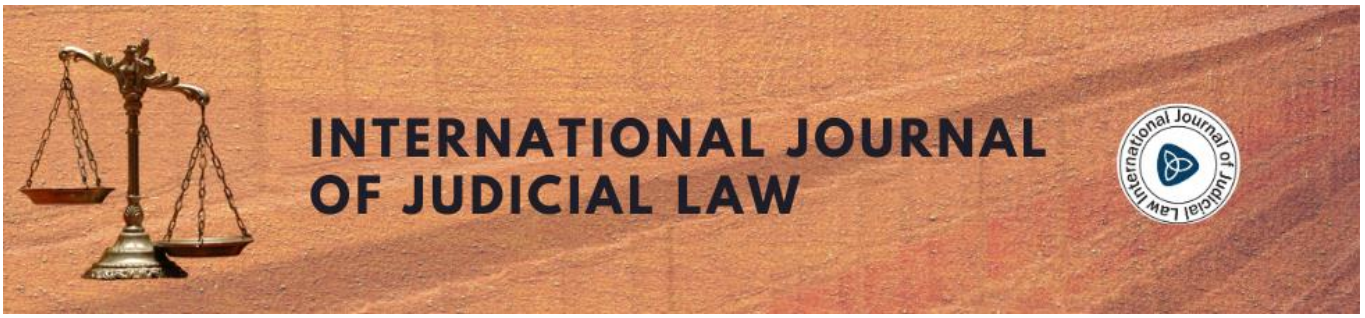




## Legal Arrangements and the Position of the Parties to Digital Works Represented in the form of *Non-Fungible Tokens* (NFTS)

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### Abstract

The development of digital technology has given rise to Non-Fungible Tokens (NFTs) as representations of digital copyrighted works that possess economic value and can be traded through blockchain networks. This development raises legal issues concerning the regulation of copyrighted work represented in the form of NFT and the legal status of creators, minters, and NFT owners in relation to copyright. This study aims to analyze the legal regulation of digital copyrighted works represented in the form of NFT and the legal status of the parties involved in the creation and transactions of NFT under Indonesian law. This study employs normative legal research using a conceptual approach and a statutory approach. The results show that digital copyrighted works represented by NFT remain protected by copyright insofar as they fulfil the requirements of protected works under Law Number 28 of 2014 on Copyright. However, NFT can't automatically be equated with digital copyrighted works, rather NFT are digital tokens representing a copyrighter work. Ownership of a NFT doesn't automatically result in the transfer of copyright, as copyright transfer must be based on a valid legal relationship. Therefore, creators, minters, and NFT owners have different legal statuses and rights according to their respective legal relationship. Accordingly, each NFT transaction should expressly determine the rights attached to the NFT and the copyright in order to provide legal certainty for the parties.

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### Introduction

Developments in the field of digital trade are very rapid in line with technological advances and legal reforms that develop in society, giving birth to new thoughts and ideas in people's lives today. In fact, developments in the field of digital trade do not stop there, currently Indonesia and the world are intensively developing and expanding people's thoughts, especially in the economic field by utilizing human works that become intellectual property. Intellectual property according to the World Intellectual Property Organization (WIPO) is defined as the creation of human thinking skills such as new inventions, literary works, art, designs, symbols, names and images used in the trade system. <sup>[1]</sup> In Indonesia, the use of intellectual property sourced from human works based on technology and knowledge can be used as an added value as well as a support in the economy and technology-based trade as defined in the provisions of Article 1 number 1 of Law Number 24 of 2019 concerning the Creative Economy, which basically the government encourages economic progress in Indonesia by utilizing intellectual property that has economic value.

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<sup>1</sup> World Intellectual Property Organization. Url : <https://www.wipo.int/en/web/about-ip>. Retrieved on July 20, 2026 at 19.50 WITA.

One of the intellectual property that is often used as an economic driver is copyright. Copyright according to the Berne Convention is defined as an exclusive right that is used to protect literary, scientific, and artistic works into any form of expression and is followed by the granting of economic rights and moral rights to creators of automatic cross-border transactions.<sup>[2]</sup> In Indonesia, copyright is expressly regulated in the provisions of Law Number 28 of 2014 concerning Copyright, where the provisions of the legislation also clearly define copyright in the provisions of Article 1 number 1 "Copyright is the exclusive right of the creator that arises automatically based on the declarative principle after a work is realized in a tangible form without reducing restrictions in accordance with the provisions of laws and regulations". From the two definitions of copyright, both nationally and internationally, it reflects that the granting of exclusive rights to the creator of the work he produces contains two valuable values at once, namely moral value and economic value. In copyright, moral rights can be applied through the inclusion of the name of the creator on the work, although later the copyright on the work of creation, for example, will be sold and then used by other parties.<sup>[3]</sup> Meanwhile, the economic right in question is in the form of material gains obtained from the use of his own work and/or because of the use of the work by other parties obtained under license, including reproduction, performance rights, broadcasting rights, adaptation rights and distribution rights.<sup>[4]</sup>

One of the latest technological fields related to intellectual property is the birth of Non-Fungible Tokens or abbreviated as NFTs. NFT is an asset in digital form that represents certain objects in the real world, both domestically and cross-country such as paintings, videos, music, and digital games whose assets can be traded online with payments using cryptocurrencies marked with certain unique codes, can be done using basic software in general or crypto.<sup>[5]</sup> Basically, NFT is a digital asset in the field of art and can be traded. Often NFTs are equated with cryptocurrencies, but there is a difference between the two, namely NFTs cannot be exchanged, while cryptocurrencies can be exchanged for dollars or even other cryptocurrencies. This is because in each NFT transaction, there are special records and codes about the creator of the work, the price of the work and the historical data of ownership of the work, where the records and codes are specifically outlined in the form of a blockchain. NFTs basically also represent files in a unique digital form as opposed to a unit of currency and these digital files are usually visual artworks, Graphics Interchange Format (GIF), audio files or other similar digital forms.<sup>[6]</sup>

Innovation in the digital field is characterized by the existence of NFT as one of the expressions of copyright in a more modern form. From what previously people only expressed their creativity in the form of two- or three-dimensional real objects and sold directly, now it is a

copyrighted work that can be expressed and sold through digital form. Basically, the existence of copyright in digital form has been regulated in the provisions of article 40 paragraph (1) of Law Number 28 of 2014 concerning Copyright which basically regulates that one of the protected works in the fields of science, art and literature, one of which is in the form of a compilation of works or data in a format that can be read with computer programs and other electronic media. Meanwhile, in the international realm, the use of copyrighted works expressed in digital form has also been ratified through the Bern Convention as stated in Presidential Decree Number 18 of 1997 concerning the Ratification of the Bern Convention for the Protection of The Literary and Artistic Works and the World Intellectual Property Organization (WIPO) which basically recognizes respect for copyrighted works in digital form.<sup>[7]</sup>

The phenomenon of using NFTs has also enlivened the world of technology, especially in the field of Indonesian trade, after an idea made by a person named Ghozali who sold his own paintings into NFTs on Opensea media and made a profit of approximately 14 billion Rupiah.<sup>[8]</sup> Moreover, in Indonesia, an NFT exhibition has been held by Art Pop Up with Sewon NFT Club and the Indonesian Institute of the Arts involving up to 238 NFT creators in various regions and abroad. The crowded NFT buying and selling transactions among the public, gives birth not only to new ideas and enthusiasm for art owners, but also for art connoisseurs who can now expand their new experiences in enjoying art while having digital economic value. The NFT transaction system that makes ownership absolute, meaning that the ownership of the NFT is fully in the owner's hands. However, the creator still holds full copyright to his work which is used to reproduce his work and utilize economic rights to the work he creates. The difference in legal position between copyright holders and property rights holders for NFTs raises legal problems in the use of NFTs as intellectual works that can be traded. Although through Law Number 28 of 2014 concerning Copyright, copyright has been regulated as an exclusive right inherent to the creator and respects the existence of digital intellectual works.<sup>[9]</sup> However, on the other hand, there is no regulation that specifically and comprehensively regulates the use of NFTs as digital copyrighted works in Indonesia that can be traded and the position of the parties in terms of the NFT works that can be traded. Thus, this legal issue is important to be studied from the perspective of Indonesian law, reflecting on the provisions of international law that have previously provided a legal basis for the use of NFTs as digital copyrighted works. Research with a similar theme has previously been carried out and outlined in the form of scientific writings by Gabriella Ivana and Andriyanto Adhi Nugroho with the title "The Consequences of Legal Voids Against Non-Fungible Tokens as a Violation of Intellectual Property Rights" which has a

<sup>2</sup> Kathleen Bridget Wilson, Adam Karg, Hadi Ghaderi. 2022. Prospecting Non-Fungible Tokens in The Digital Economy: Stakeholders and Ecosystem, Risk and Opportunity. *Business Horizons*. 65(5), 62.

<sup>3</sup> Siregar, Dahrir. 2022. Juridical Review of Copyright for the Prevention of Plagiarism and Piracy of Literary Works. Kediri: Indonesian Smart Creators, 9.

<sup>4</sup> Jafar, Sofyan. 2016. Moral Rights and Economic Rights in Copyright (A Study of the Music Industry or Aceh Songs). Aceh: Biena Edukasi, 44.

<sup>5</sup> Taherdoost, Hamed. 2023. Non-Fungible Tokens (NFT): A Systematic Review. *Journal Information*. 14 (1), 26. <https://doi.org/10.3390/info14010026>

<sup>6</sup> Ziliwu, Alfonsus Syukur Hadirat *et al.* 2023. Juridical Review of Non-Fungible Tokens (NFTs) from the Legal Aspects of Property and Intellectual Property Rights. *Journal of Rectum*. 5(1), 329.

<sup>7</sup> Lee G. Branstetter, Raymond Fisman, *et al.* 2016. Do Stronger Intellectual Property Rights Increase International Technology Transfer? Empirical Evidence from U.S. Firm-Level Panel Data. *The Quarterly Journal of Economics*. 121(1), 329. doi : <https://doi.org/10.1093/qje/121.1.321>

<sup>8</sup> Donny Trihandono, Soni Sadono. 2023. Non-Fungible Tokens (NFTs) as Blockchain-Based Art Investment Instruments. *Ideas: Journal of Education, Social, and Culture*. 9(2), 340.

<sup>9</sup> Ibid., 341

focus on discussions on indications of violations of the law on intellectual property rights as a result of the void of legal norms. In addition, there is also a similar study entitled "Protection of Photographic Copyrights in International and National Perspectives" by Cokorda Istri Ilma Sisilia Sari, I Made Sarjana and A. A Istri Ari Atu Dewi which focuses on digital copyrights in the form of photography which is analyzed from the perspective of international and national law. Based on the two previous studies, the author compiles this study from a different point of view, although both discuss the expression of copyright in digital form. In this study, the author specifically discusses from the point of view of the legal regulation of digital copyrights in the form of NFTs from a positive legal perspective in Indonesia and its legal position for the owners and holders of the NFT copyrighted works.

### Problem Formulation

Based on the background that has been described above, the formulation of the problem that will be analyzed in this study is:

1. What is the legal arrangement for digital copyrighted works represented in NFTs when viewed from a positive legal perspective of Indonesia?
2. What is the legal position of the creator of the digital work and the owner of the NFT in relation to the copyright of the digital work represented in the form of NFT?

### Purpose

This study aims to analyze the regulation regarding stock guarantees in margin transactions based on Indonesian capital market laws and to analyze legal certainty regarding the adequacy of stock guarantees when there is a decrease in share prices in margin transactions, including the limits of the authority of securities companies in establishing stricter financing mechanisms.

### Discussion

#### A. Legal Regulation of Digital Copyrighted Works Represented by NFTs in Indonesia's Positive Legal Perspective

Intellectual property rights are exclusive rights to creative works born from real human intellectuals so that they are not only in the form of ideas and ideas but also manifested in real form.<sup>[10]</sup> Currently, the regime regarding intellectual property is increasingly developing along with the rapid development of technology both in the international and national realms, especially in Indonesia. The development of technology in the field of intellectual property does not only stop at the creation of intellectual works in the world of patents such as communication tools, transportation and the like. Copyright, which was once known only as a right to the creation of works, literature, and science in real form, has now experienced rapid development through the emergence of digital copyrighted works represented in the form of NFTs.

In Indonesia, copyrighted works contained in copyright are a form of intellectual property that receives legal protection through Law Number 28 of 2014 concerning Copyright. Article 1 number 1 of Law Number 28 of 2014 has provided a definition of copyright as the exclusive right of the creator which arises automatically based on the declarative principle after a work is manifested in a tangible form without reducing restrictions in accordance with the provisions of laws and regulations.<sup>[11]</sup> From these provisions, it is reflected that copyright protection does not depend on the physical form or certain media used in realizing a work, as long as the work meets the requirements as a protected work.

The development of technology has subsequently given birth to various forms of digital works that have economic value. Along with the development of digitalization, currently digital works are widely known in the form of images, illustrations, photography, music, videos, animations, designs, computer programs and other forms of digital works produced through creativity and the results of human thought.<sup>[12]</sup> In this case, the development of Non-Fungible Token or NFT is one of the phenomena that unites the development of digital technology in the form of blockchain by utilizing digital works so as to produce creative works that have economic value. NFT is a digital asset that is contained on the network blockchain which has unique identification codes and metadata and is different from one another, in other words, NFT can be interpreted as a digital asset that presents a variety of tangible and intangible objects presented through certain unique tokens or codes connecting a certain digital asset and recorded in the network blockchain.<sup>[13]</sup>

In practice, NFTs are often associated with works of art or digital creations, even though NFTs cannot be directly equated with works of creation in digital form. Digital works are the result of human works, creativity and thought that are directly expressed in digital form, while NFT is a digital token that is recorded in the network blockchain which contains a digital copyrighted work that has gone through a process Minting, where the process Minting can simply be interpreted as the process of processing assets or digital works that will be sold on platform NFTs to form the digital format of NFTs.<sup>[14]</sup> The next difference lies in the uniqueness of its nature, each NFT has a different identity and cannot be exchanged between one another so that the ownership of each NFT is unique and has different values.<sup>[15]</sup> Meanwhile, copyrighted works in the form of digital assets such as cryptocurrency or digital documents can usually be exchanged directly between one unit for another. Ownership of NFTs that have been registered on blockchain also provide proof of authenticity and ownership that cannot be replicated or even doubled, while not all copyrights in the form of other digital assets have the same security system and level of verification as the verification and security system on NFT ownership.<sup>[16]</sup> NFTs are usually used to represent artworks, music and digital collectibles so as to create a new experience for connoisseurs of copyrighted works because with the existence of NFTs it can expand the ownership of

<sup>10</sup> Dharmawan, Ni Ketut Supasti *et al.* 2016. Intellectual Property Rights Textbook. Yogyakarta: Deepublish, 19.

<sup>11</sup> Hasbir Paserangi. 2017. Legal Protection of Copyright of Computer Program Software in Indonesia. *Ius Quia Iustum Legal Journal*, 18(2), 23.

<sup>12</sup> Ujang Badru Jaman. 2021. The Urgency of Legal Protection of Digital Copyrights. *Jurnal Rechten: Legal and Human Rights Research*, 3(1), 12.

<sup>13</sup> Alexander Sugiharto, *et al.* 2022. NFTs & Metaverses: Blockchain, Virtual World & Regulation. Jakarta: Association for Decentralized Legal Studies, 37.

<sup>14</sup> Ranti Fauza Mayana, *et al.* 2022. Intellectual Property Development & Commercialization of Non-Fungible Tokens (NFTs): Opportunities, Challenges and Legal Problems in Practice. *Acta Diurnal Journal of Notary Law*, 5(2), 210.

<sup>15</sup> Khrisna Kharismawan. 2021. Non-Fungible Token (NFT) as a Securities Instrument. *Rechts Vinding Journal*, 2(1), 23.

<sup>16</sup> *Ibid*, 25.

copyrighted works and can even be owned cross-border with very subjective economic value and influenced by market demand, while other digital assets can only include file types without the same collectibility and more stable economic value.<sup>[17]</sup> In NFT buying and selling activities on platform such as Opensea by using cryptocurrency, NFTs are equipped with technology blockchain which can verify and be a proof that the owner of the NFT is the sole owner of the NFT he bought, so that by purchasing the digital work represented in the form of the NFT, the exclusive right to ownership of such NFTs is vested in the buyer.<sup>[18]</sup> Therefore, the exclusive right to ownership of NFTs is not only attached to the creator, but also the ownership rights that pass to the NFT owner who has purchased the NFT.

In relation to it as a form of copyrighted work represented in the form of NFT, the provisions of Law Number 28 of 2014 concerning Copyright, especially in Article 40 paragraph (1) letters n and p emphasize that one of the protected forms of works is a work in the form of a compilation of works or data, both in a format that can be read with computer programs and other media as well as other works that are sourced from the results of transformation. This provision emphasizes that copyright is not tied to the form of a real copyright, but can also be in the form of a certain format that can represent a work. In line with these provisions, the provisions of Law Number 11 of 2008 concerning Electronic Information and Transactions (ITE Law), especially in Article 25 explain that "Electronic information and/or electronic documents that are compiled into intellectual works, internet sites and intellectual works contained therein are protected as Intellectual Property Rights based on the provisions of the law." Both provisions both affirm and provide legal protection for intellectual works sourced from electronic information and electronic documents, so that the change of the form of a digital into a digital format does not eliminate the legal protection inherent in a creation. In the context of NFT itself, this provision is relevant because copyrighted works in digital form represented in the form of NFTs are basically still a work that is obliged to obtain legal protection based on intellectual property law in Indonesia with more comprehensive regulations regarding digital copyrighted works represented in the form of NFTs. In addition to protection based on copyright laws and electronic transactions, NFTs are also related to the existence of regulations regarding digital assets in Indonesia. In the development of national regulations, the regulation and supervision of digital financial assets has been regulated through the Financial Services Authority Regulation (POJK) Number 23 of 2025 concerning Amendments to the Financial Services Authority Regulation Number 27 of 2024 concerning the Implementation of Digital Asset Trading, Including Crypto Assets.<sup>[19]</sup> However, the existence of POJK also cannot be considered as a special regulation that regulates NFT as one of the intellectual works and regarding

the copyright attached to NFT considering that the object of regulation in the provision is different considering that the provision only focuses on digital asset objects in the form of Crypto.

As a digital work that can be transferred ownership, NFTs are in practice used as objects of buying and selling transactions carried out in platform digital. The transaction is carried out between the NFT owner transferring ownership of the token to the buyer in exchange for a certain amount of economic value that has been agreed upon so that the transaction causes the transfer of ownership of the NFT from the seller to the buyer which will then be recorded in the system blockchain with proof of ownership of a special token, so that the transfer of ownership of NFTs is not necessarily accompanied by the transfer of copyright to the digital work represented by the NFT. In addition to the use of technology blockchain, in NFT transactions also known as the use of smart contract which is basically an electronic agreement as the basis for the provision to carry out transactions automatically on the NFT transaction system.<sup>[20]</sup> However, the use of smart contract NFT transactions are used to execute transactions automatically based on the code that is automatically loaded on the smart contract which can usually manage the process of moving NFTs, payments and the execution of certain transactions automatically.<sup>[21]</sup> Existence smart contract can be related to the concept of electronic agreements known in Indonesia as regulated by Government Regulation Number 71 of 2019 concerning the Implementation of Electronic Systems and Transactions which defines an electronic agreement as "An agreement of the parties made through an electronic system and acknowledges that electronic transactions can be carried out based on an electronic contract or other contractual form." Based on these provisions, smart contract can be placed as an electronic instrument used to carry out the agreement of the parties in the transaction of buying and selling NFTs in Indonesia as long as its implementation meets the legality of whether or not an electronic agreement is valid and the validity of an agreement as formulated in the provisions of Article 1320 of the Civil Code, including the agreement of the parties, the proficiency of the parties, the existence of certain objects and the existence of halal causes so that they do not violate existing norms and the applicable legal order.<sup>[22]</sup> Therefore, based on positive law in Indonesia itself, it shows that the use of code that runs automatically in smart contract does not necessarily make digital transactions, especially in NFT transactions carried out with smart contract is automatically legal because it needs to be observed every use smart contract whether it is in accordance with the legal basis regarding the validity of an electronic agreement in Indonesia, especially the use of smart contract that are executed with specific code on NFT transactions. Thus, the use of smart contract NFT transactions can be placed as electronic instruments that carry out transactions automatically using a certain code as long as they

<sup>17</sup> Muhammad Syahbudi. 2021. Indonesia's Creative Economy: Creative Industry MSME Competitiveness Strategy Towards Go Global (A Research with the Pentahelix Model). Medan: Merdeka Kreasi, 39-40.

<sup>18</sup> Ibid, 51.

<sup>19</sup> Khoiril Aswadi, Wahyu Adi. M. 2024. Legal Protection of Crypto Assets as Guarantee Objects Based on the Perspective of Guarantee Law. *Diversions: Journal of Law*, 10(2), 428.

<sup>20</sup> Dzaky Agusman, Fathoni. 2025. NFT-Based Copyright Protection and Smart Contracts in Response to the Issue of Theft of a Digital Work. *Journal of Technology and Applied Industrial Management*, 4(2), 392.

<sup>21</sup> Winda Fitri. 2023. A Study on the Application of Sharia Smart Contracts in Blockchain: Opportunities and Challenges. *Jatisswara*, 3(2), 36.

<sup>22</sup> Ida Ayu Lidya, Ida Ayu Sukihana. 2020. Copyright Protection on Electronic Books (E-Books) in Indonesia. *Krtha Semaya Journal: Journal of Legal Science*, 8(10), 52.

meet the legal requirements of an agreement based on positive law in Indonesia. This also reflects that NFT transactions are not only related to the aspect of intellectual property in the field of technology, but also there are legal relationships arising from the existence of digital copyrighted works represented in the form of NFTs.

### **B. Legal Position of Digital Work Creators and NFT Owners in Relation to Copyright on Digital Works Represented in NFT Form**

Copyright gives exclusive rights to the creator and copyright owner of a copyrighted work produced through human ideas and/or creativity. As stipulated in Article 4 of Law Number 28 of 2014, copyright is an exclusive right consisting of moral rights and economic rights. Each of these rights is in accordance with the position of the owner and creator of a copyrighted work. The existence of NFT which is a representation of a digital work creates a legal relationship between the creator of the digital work and the party who performs it Minting and NFT holders.<sup>[23]</sup> The legal relationship between these parties greatly affects the rights owned by each party considering that ownership of NFTs does not always have the same legal consequences as copyright ownership of a copyrighted work, both real and digital copyrights. NFT buying and selling transactions are a transaction activity that uses digital tokens as the object of the transaction. This NFT transaction activity shows that NFT can be used as an object of ownership or what is referred to as a property because there is a certain mechanism to be able to obtain ownership of a certain object based on the basis of rights (legal title), one of which can be through the buying and selling process.<sup>[24]</sup> Juridical ownership of NFTs is also related to the ownership of things (Case), especially because NFT is classified as an immaterial object or intangible object. The qualification of NFT as an object in digital form or an intangible movable object results in NFT having economic value, as this also applies to copyright. According to Article 499 of the Civil Code, an object is defined as something that can be desired to be an object of ownership so that the ownership of NFT is understood as ownership of a digital object that has economic value and can be controlled and transferred ownership. In line with the provisions of Article 16 paragraph (1) of Law Number 28 of 2014 which states that copyright is an intangible movable object. The intangible nature of an object does not eliminate the possibility of ownership and transfer of an object, including NFTs. In determining the legal consequences of NFT transactions and ownership, it is necessary to look at the position of each party involved in the formation of NFT which starts from the creation of digital works, the process Minting and the NFT buying and selling transaction.

In the provisions of Article 1 number 2 of Law Number 28 of 2014 concerning Copyright, a creator is defined as someone who gives birth to a work from his ability to think, his imagination, his skills or his expertise which is expressed in

a distinctive and personal form of work. The position as a creator is basically determined based on the party who produces a copyrighted work, not based on the party who first converts the copyrighted work into the form of NFT, so that the process Minting does not directly make someone the creator of a digital work.<sup>[25]</sup> However, in practice, which often occurs in society, a creator of digital works can often be the party who does Minting as well as to the work that he created himself. In such a case, the creator is in two positions at once, namely as the creator and the party who performs Minting for his creation. On the other hand, after he did Minting to a copyrighted work, the party who performs Minting, based on the authority given by the creator, it can sell the NFT, so that the party who has the right to sell the NFT does not solely have to be done by the party who does it Minting, but still based on the legal authority granted by the creator or in this case the creator can also be said to be the copyright holder whose authority must be based on a valid legal relationship, for example with a written agreement, power of attorney and/or a valid letter of appointment.<sup>[26]</sup> However, in the event that the creator acts at the same time as the party who does Minting, then there is no need to prove it again as it is done if the creator is a different party from the party who did it Minting.

In the event that the NFT is sold, the party who obtains the NFT through the transaction has a position as the owner of the NFT as evidenced by the ownership of the digital token based on the transaction made and recorded through transaction records on the network blockchain which indicates the transfer of ownership of the NFT from the previous owner to the new owner. However, keep in mind that the ownership of the NFT and/or the transfer of ownership of the NFT does not automatically result in the NFT holder being the copyright holder.<sup>[27]</sup> As stipulated in the provisions of Article 16 paragraph (2) of Law Number 28 of 2014 concerning Copyright, it states that copyright can be transferred and/or transferred, either in whole or in part due to inheritance, grants, waqf, wills, written agreements or other provisions permitted by law. The transfer of copyright on NFTs is not only based on the transfer of transactions, but there must be a legal basis that shows the intention to transfer copyright from the creator or copyright holder to another party. Recording of NFT buying and selling transactions in the system blockchain assisted by the use of smart contract which provides that NFT transactions only lead to a transfer of ownership only without a transfer of copyright, indicating that the transfer of ownership of an NFT does not automatically lead to a transfer of ownership of the copyright as well. Usage blockchain and smart contract in NFT transactions, in this case it is used as a means that only aims to assist the transfer of ownership of NFTs that are officially recorded in the NFT transaction system in the form of blockchain.<sup>[28]</sup> In this condition, the copyright remains with the creator or copyright owner of the digital work represented in the form of the NFT. The buyer who is the owner of the

<sup>23</sup> Gede Paramhansa Yogananda and I Putu Rasmadi Arsha Putra. Legal Protection for Consumers for the Sale and Purchase of Non-Fungible Tokens (NFTs) through Smart Contracts. *Journal of Multidisciplinary Inquiry in Science Technology and Educational Research*, 2(1b), 2570.

<sup>24</sup> Maulana Jafar, Supriadi, Aditya Prastian. The Validity of Ast Digital NFT (Non-Fungible Token) as an Object of Fiduciary Collateral. *Journal of Islamic Business Law*, 7(1), 82.

<sup>25</sup> Packing NG, *et al.* 2024. *The Cambridge Handbook of Law and Policy for NFT*. New York: Cambridge University Press, 110.

<sup>26</sup> Febriana, Asyri, Siddiq, *et al.* 2023. Juridical Study of Non-Fungible Tokens (NFTs) as Tangible Guarantees in Indonesia. *Journal of Fundamental Justice*, 3(1), 32.

<sup>27</sup> *Ibid*, 30.

<sup>28</sup> Riffal Setiawan and Tata Sutabri. 2025. Integration of Blockchain Technology for Secure Access Control in Distributed Databases. *Journal of Science Student Research*, 3(2), 61.

NFT only has the authority to receive the right to own the NFT in the form of a digital token, store it and transfer the NFT in accordance with the applicable provisions in the smart contract when an NFT transaction is made.

These differences in positions determine the fundamental difference in rights between the parties involved in the creation and ownership of NFTs. To determine the difference in rights, it is necessary to remember that NFT is a digital token that can be obtained through transactions, where NFTs themselves come from digital works that are then represented by NFTs. From the analogy and position of the parties as analyzed above, it is in line with the principle that copyright is the granting of exclusive rights. As emphasized in the provisions of Article 4 of Law Number 28 of 2014 concerning Copyright, it is emphasized that copyright consists of moral rights and also economic rights. Moral rights are exclusive rights that are inherent in the creator of a work, while economic rights are the exclusive rights that the creator has to obtain economic benefits from his creations. So that moral rights are inherent in the creator, while economic rights can be in the creators and copyright holders based on legal relationships or the transfer of rights. In Article 9 paragraph (1) of Law Number 28 of 2014 concerning Copyright, it is determined that the acquisition of economic rights to a copyrighted work can be done through several things, namely the publication of the work, the duplication of the work in all forms, the translation of the work, the adaptation, the arrangement or transformation of the work, the distribution of the work or its copy, the performance of the work, the announcement of the work, the communication of the work and the last is the rental of the work. In addition, the copyright holder can also give permission to other parties to exercise certain economic rights through a license. The reproduction and/or use of the digital work is for commercial purposes or certain conditions that are agreed upon if the authority is part of the economic rights of the creator or copyright holder that can be transferred.<sup>[29]</sup>

In NFT transactions, licensing can be used to determine the limit of the use of a digital work by the NFT owner, for example, the NFT owner is given the right to transfer the copyright by displaying the digital work represented by the NFT personally, but the right is limited so that it cannot be duplicated and/or changed for commercial purposes, but this is rarely done since the ownership of the NFT is limited to the ownership of the token only. The difference between the ownership of moral rights and the economic rights is important because the ownership of the NFT does not automatically determine the ownership of the copyright of the digital work it represents, moreover the owner of the NFT essentially acquires ownership of the digital tokens recorded in the system blockchain after the Minting and NFT transactions. Meanwhile, regarding the moral rights remain attached to the creator and the economic rights remain with the creator or copyright holder as long as there is no transfer or licensing of the economic rights, either to the party who does it Minting or even other parties.<sup>[30]</sup> Thus, in every NFT transaction, it is necessary to determine in advance what rights can be transferred. If only NFTs are traded, then in principle the transfer only includes the transfer of ownership of digital tokens as a unique code for NFTs which is a

representation of a digital work and includes economic rights for the NFT owner to resell the NFT, while if the parties also want the NFT purchase and sale transaction to be complemented by the transfer of copyright and economic rights to the digital work represented through NFTs, then the transfer of copyright must be carried out expressly in accordance with applicable regulations.

### Closing Conclusion

From the analysis and discussion that the author has conveyed above, the conclusion that can be drawn is that digital copyrighted works represented in the form of NFTs basically obtain copyright law protection as long as they meet the elements as a copyrighted work protected based on Law Number 28 of 2014 concerning Copyright, especially in the provisions of Article 40 paragraph (1) letters n and p which states that one of the forms of copyrighted works is a creation in the form of a compilation of works or data, either in a format that can be read with computer programs or other media and also copyrighted works that are sourced from the results of transformation. Although basically NFT is not automatically equated directly with a digital copyrighted work, but NFT is basically a representation of digital works that have gone through the process Minting which is assisted by the use of electronic agreements whose use is in line with the provisions of Government Regulation Number 71 of 2019 concerning the Implementation of Electronic Systems and Transactions, so that it can be displayed in the form of digital token ownership which is then recorded in the system blockchain. In a copyrighted work represented in the form of an NFT, the position of the party who created the copyright, the owner of the NFT, and the party who did it Minting Basically, they are parties who have different rights and obligations so that the certainty of the position of each party is certain. NFT ownership also does not automatically cause a transfer of copyright considering that in every NFT transaction, there is a difference in legal relationship between the owner of the copyrighted work and the party who commits the Minting and NFT owners.

### Suggestion

From the analysis and conclusions above, the suggestions that the author can provide related to this legal issue are that the parties involved in the process of creating digital copyrighted works until the occurrence of an NFT transaction need to expressly determine their rights and obligations, especially related to moral rights and economic rights to the digital copyrighted work, both which can be included in the smart contract or through any document and/or media that contains an agreement between the parties involved. The government also needs to strengthen legal certainty through the harmonization of provisions regarding copyright, electronic transactions and protection for all parties involved in the occurrence of digital copyright transactions represented through NFTs.

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### Internet Sites

World Intellectual Property Organization. Url: <https://www.wipo.int/en/web/about-ip>

### Laws and Regulations

Civil Code (KUHPercivil)

Law Number 28 of 2014 concerning Copyright

Law Number 24 of 2019 concerning the Creative Economy  
Government Regulation Number 71 of 2019 concerning the Implementation of Electronic Systems and Transactions  
Financial Services Authority Regulation (POJK) Number 23 of 2025 concerning Amendments to Financial Services Authority Regulation Number 27 of 2024 concerning the Implementation of Digital Asset Trading, Including Crypto Assets

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