

Copyrights and Revenue in the 21st Century

- This presentation will discuss:
 - Definition of copyright
 - Sources of income for copyright owners
 - Length of term for copyrights
 - Ownership of copyrights
 - Definition of music Publishing companies
 - Definition of performing rights organizations
 - How to start your own publishing company
- What is a copyright?
 - a “bundle of rights” that belong exclusively to the owner of the copyright
- The Bundle of Rights consists of:
 - The right to reproduce the copyrighted work
 - The right to prepare derivative works based on the copyrighted work
 - The right to distribute copies of the copyrighted work to the public
 - The right to perform the work publicly
 - The right to display the copyrighted work publicly
- Sources of income for Copyright owners
 - Performance royalties
 - Radio Airplay
 - Television Series
 - Major tours
 - Muzak
 - Restaurants/clubs
 - Record sales (mechanical royalties)
 - Internet downloads
 - Motion pictures
 - Home video
 - Commercials
 - Jukeboxes
 - Dolls and toys
 - Ring Tones
 - Sync licenses

- Length of copyright
 - Sonny Bono copyright term extension act of 1998
 - Added twenty more years to the term of copyright
 - Life of the author plus seventy years for works created after January 1, 1978
 - Works created before January 1, 1978 have a term of 95 years
 - With collaborations, the life of the last surviving author plus seventy years

- Who are the owners of copyrights?
 - Music publishers
 - Warner/Chappell Music
 - Emi Music Publishing
 - Sony/ATV music
 - Universal Music Publishing
 - Berry Gordy
 - Michael Jackson

- Main components of a publishing company
 - Administration
 - Prepare copyright forms, issue licenses, collect monies, prepare account statements for writers and publishers
 - Catalog promotion
 - Call upon record companies, artist managers, and any potential users of music
 - Creative
 - Finds new songwriters, develops them, pairs them with collaborators

- Starting your own Publishing Company
 - Choose business structure
 - Sole Proprietor
 - Partnership
 - LLC
 - Corporation

- Affiliate with a Performance Rights organization
 - BMI-founded in 1939
 - ASCAP-founded in 1914
 - SESAC

- Performance Rights organizations represent
 - Publishers
 - Songwriters
 - issue licenses to music users such as radio, clubs, restaurants, churches, etc.
 - collect Songwriter/publisher monies worldwide
 - provide accounting statements to publishers and writers

- How do you join a performance rights organization?
 - BMI and ASCAP require:
 - 1 commercial recording of a song written or published by the prospective member or
 - Evidence of a performance of the composition in a licensed medium (Major FM Radio station, television station, or club)
 - Completed application
 - Signed contract

- Establish a Business checking account
 - No fee small business checking accounts

- Preparing copyright forms
 - Form PA—Performing Arts
 - Form SR—Sound Recording
 - Form PA--©
 - Form SR—Where's the P in a circle symbol?

- Sources of income for Copyright owners
 - Performance royalties—"Whenever the song is played, the publisher is getting paid!" John Kellogg
 - Radio Airplay
 - Television Series
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- Sync Licenses--The Range of Fees for Synch Licenses
 - *Major Studios*- \$25,000 to \$50,000 buys the rights in perpetuity (except for new media).
 - Main title usages run \$50,000 to \$150,000.
 - End title usages run \$35,000 to \$100,000.
- *Independent Films*- Step deals are negotiated in most cases. Fees usually begin between \$2,500 to \$7,500 and escalate in step with box office sales and the subsequent release on home video.
- *Television*- Synch fees for television are based on the specific rights being granted and are grouped in the following seven categories:
 - Free, Basic Cable, and Satellite- Worldwide free tv and basic cable rights are between \$2,500 to \$5,000 for a five-year license for a weekly show. A license in perpetuity will be about \$6,000 to \$7,500.
 - Pay TV- Premium channels such as HBO and Showtime are assessed at the same rate as free tv and basic cable.
 - Foreign Theatrical- When a movie is released outside the United States, the license will be between \$5,000 to \$10,000.
 - Home Video- When a program is released on home video, the fee is usually \$6,500 to \$8,500. This fee is usually in perpetuity.
 - Television Theme Song- Television theme songs are licensed on a per-episode basis, often with a guarantee of a minimum number of episodes. The range could be between \$4,000 to \$10,000 per episode.
 - Common Carriers- The license for airlines, cruise ships, etc. are usually \$1,000 to \$3,000 for a five-year license, or \$2,000 to \$3,000 in perpetuity.
 - Performance License- Television licenses require broadcasters to have a performing rights license. This assures Publishers to be paid performance royalties in addition to synch fees.
- *Commercials*- For commercials, a song can get anywhere from \$75,000 to \$500,000 for a one-year national usage license in the U.S. on television and radio. Well known songs for major advertising campaigns can demand into the millions.