

Music Rights Update

Helping advertisers keep up to speed
with the music rights landscape

Presented by Richard Kirstein
Founding Partner, Resilient Music LLP

- Introduction to Resilient
- Why no standard music rate card?
- Why is Music so complex?
- Who do we need to pay?
- Cost Drivers & Management
- Risk & Management
- 4 Take-Aways

What does Resilient do?



We help advertisers navigate the
uncertain world of Music Rights



Music Buying:

Why isn't there a
standard rate card?

Commoditised

Production Library



LOW COMPLEXITY

Licence-based
Single Rights Owner
Pre-Cleared
Predictable Cost
Low Risk

Work For Hire

Bespoke Score



MID COMPLEXITY

Assignment-based
Single Rights Owner
IP Transfer
Predictable Cost
Low to Medium Risk

Free Market

Commercial Catalogue



HIGH COMPLEXITY

Licence-based
Multiple Rights Owners
Prior Consent
Highly Variable Cost
High Risk

Why is music so complex?



Songwriters “Publishing Rights”



Max Martin

Music Publisher



33.33% Share



Taylor Swift

Music Publisher



33.34% Share



Shellback

Music Publisher



33.33% Share



Artist “Master Rights”



USA Record Label



UNIVERSAL MUSIC

World ex. USA
Record Label



Taylor Swift

Who do we need
to pay?

Songwriters

Synchronisation Right



K Kobalt



Sony/ATV
MUSIC PUBLISHING



K Kobalt

Song licensed by
music publishers

Paid by Brand or Agency

Featured Artist

Synchronisation Right

Recording licensed by
record label

Paid by Brand or Agency



Non-featured Artist

Synchronisation Right

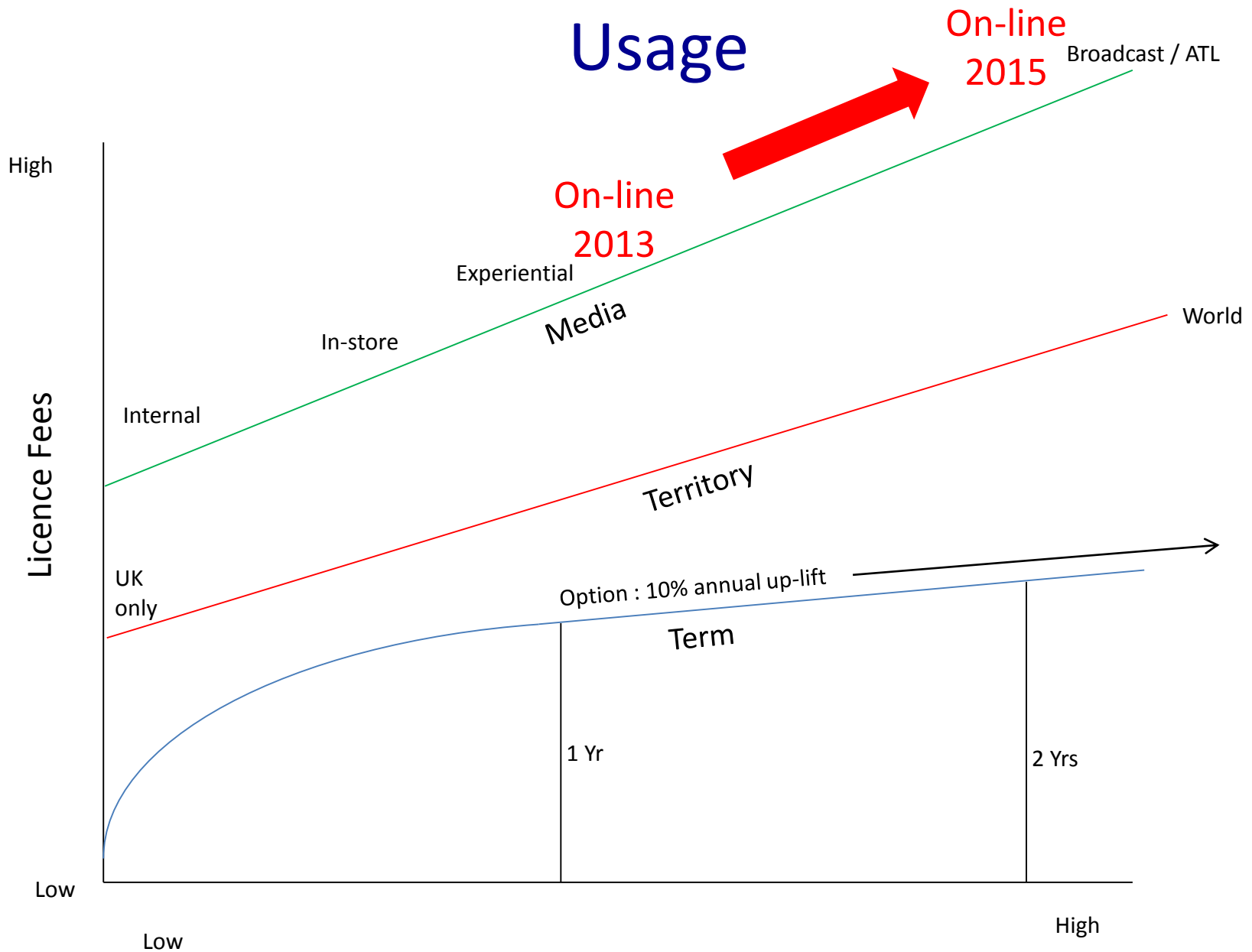
Recording licensed by
Performers Union



Cost Drivers

What's changing in the
licence fee landscape?

Usage



Online Geo-locking

Online component of multichannel campaign



2013 Default Online Licence
Worldwide



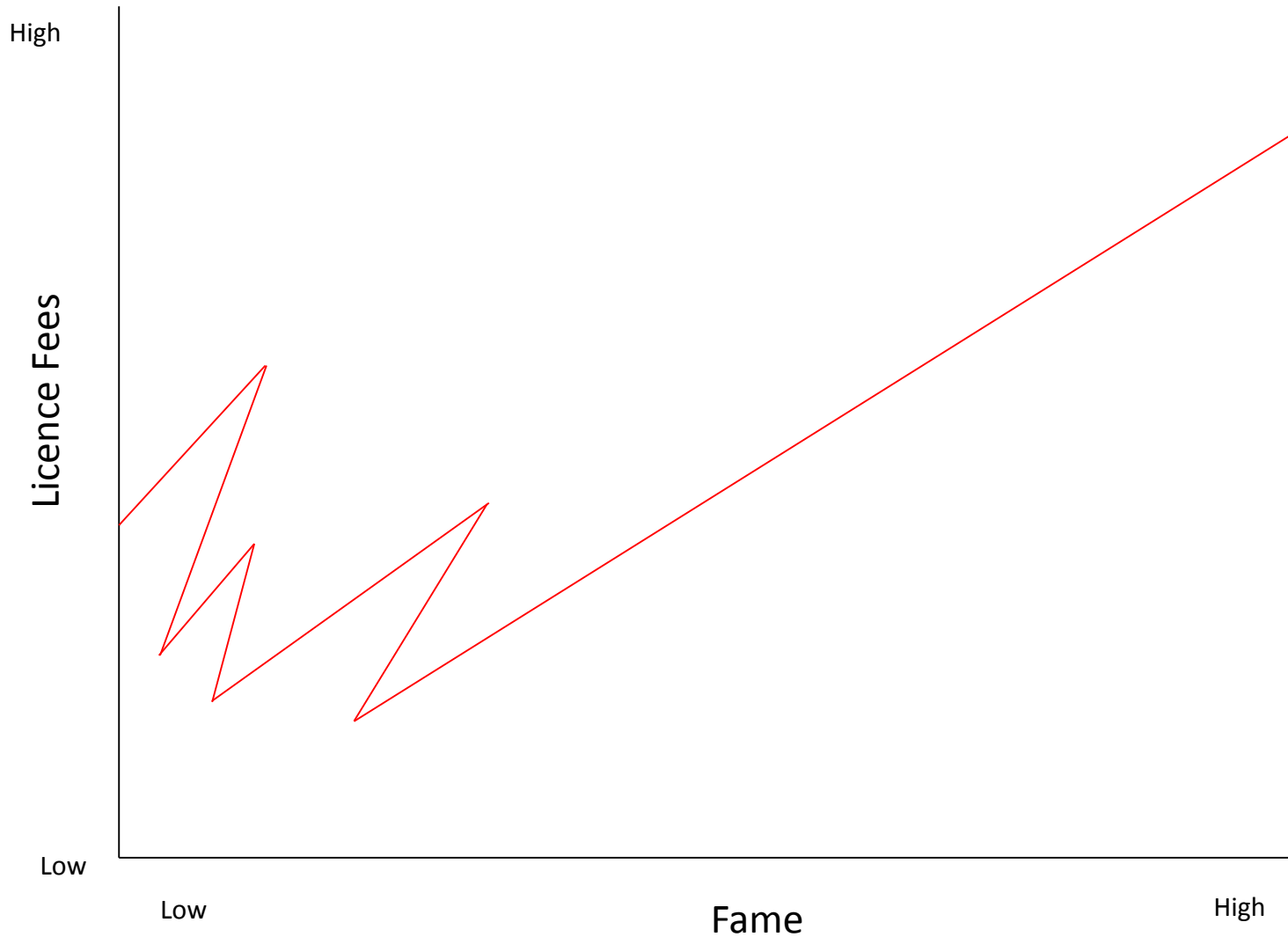
2015 Default Online Licence
Locked to ATL markets

Cost Management

Preventative Measures

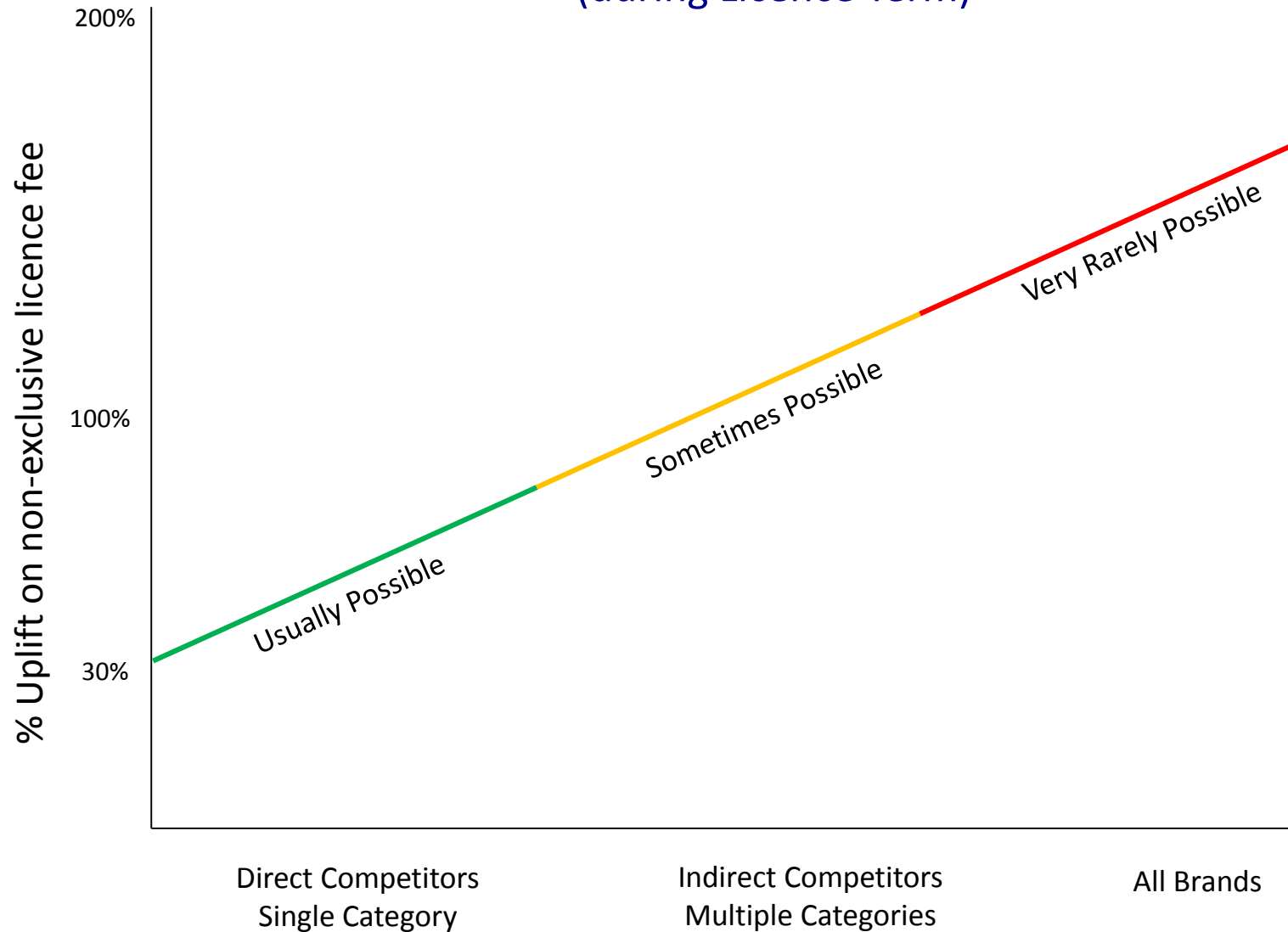
Price is Relative

It's not just about the artist & recording



... and exclusivity costs even more!

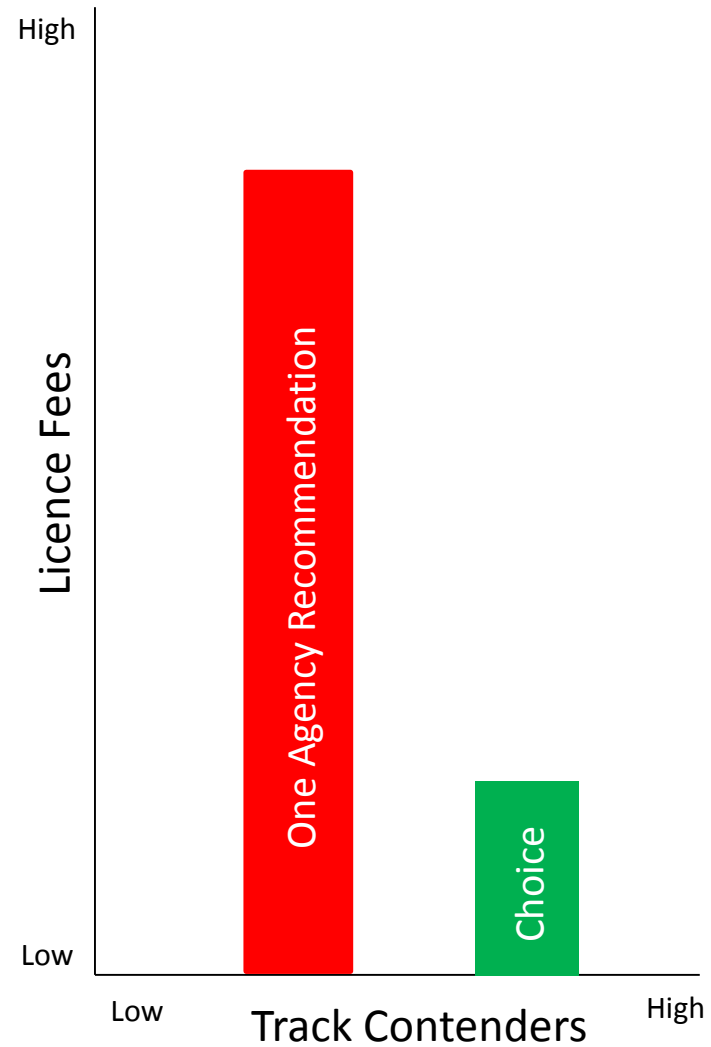
(during Licence Term)



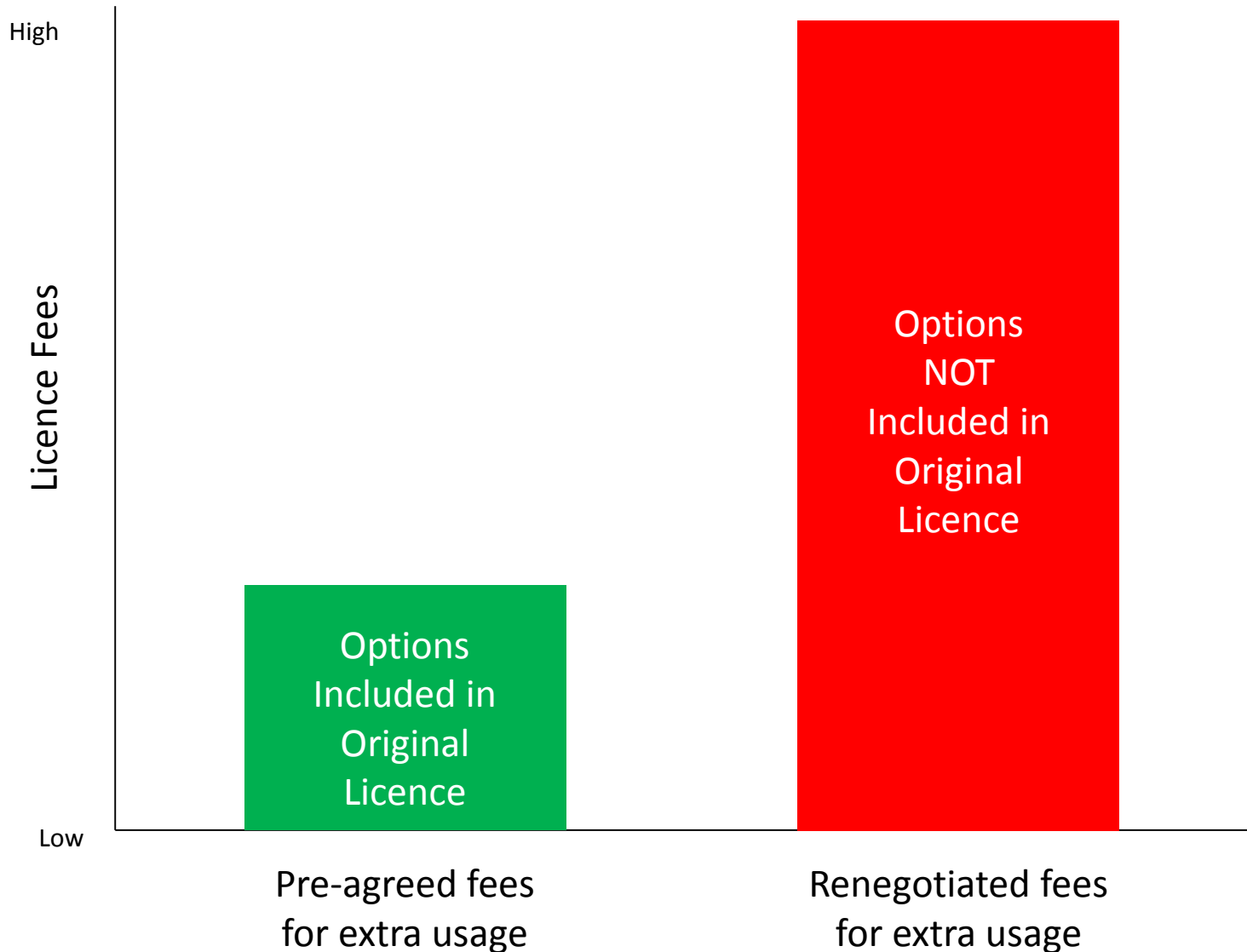
Time



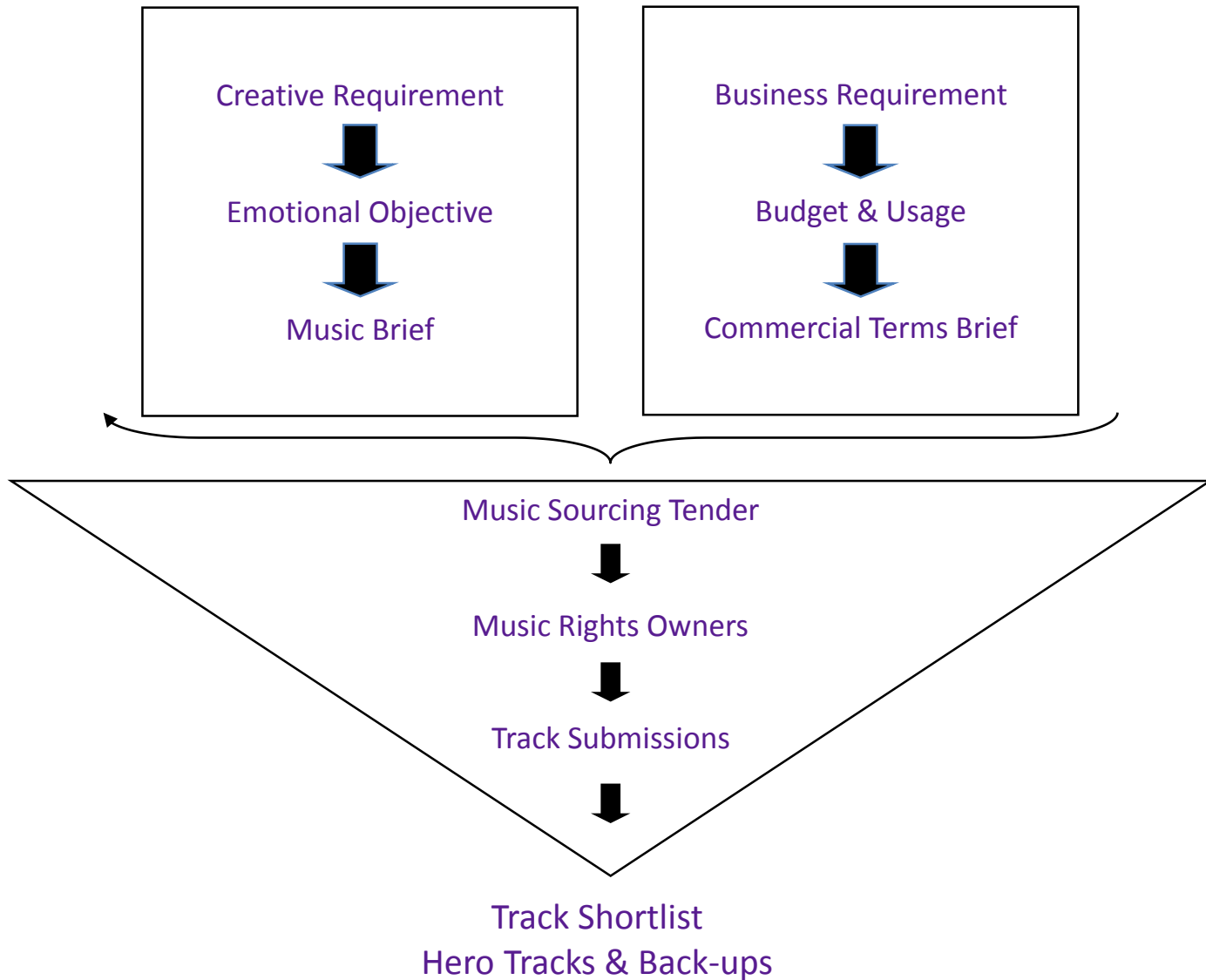
Competition



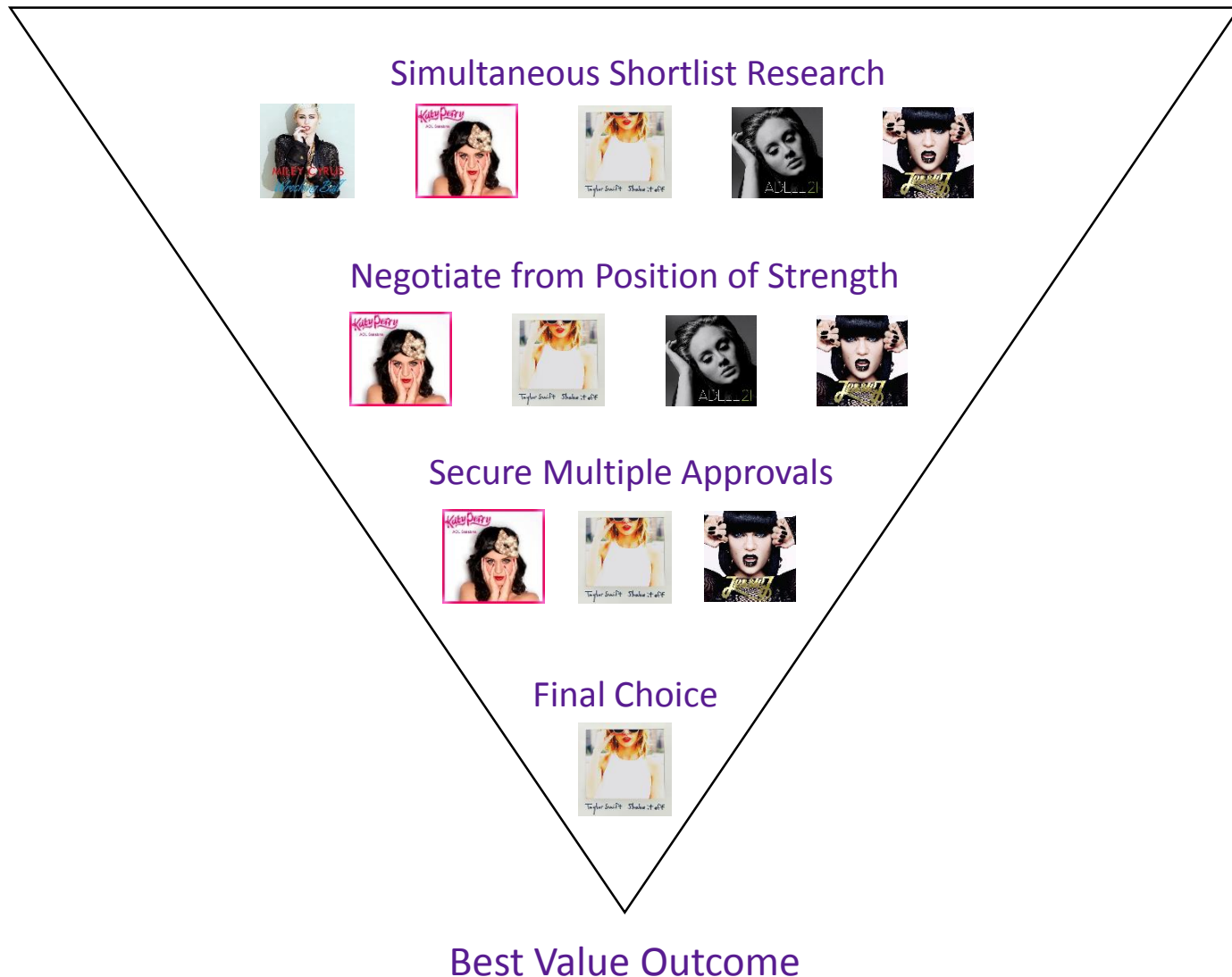
Licence Options : Your quick win



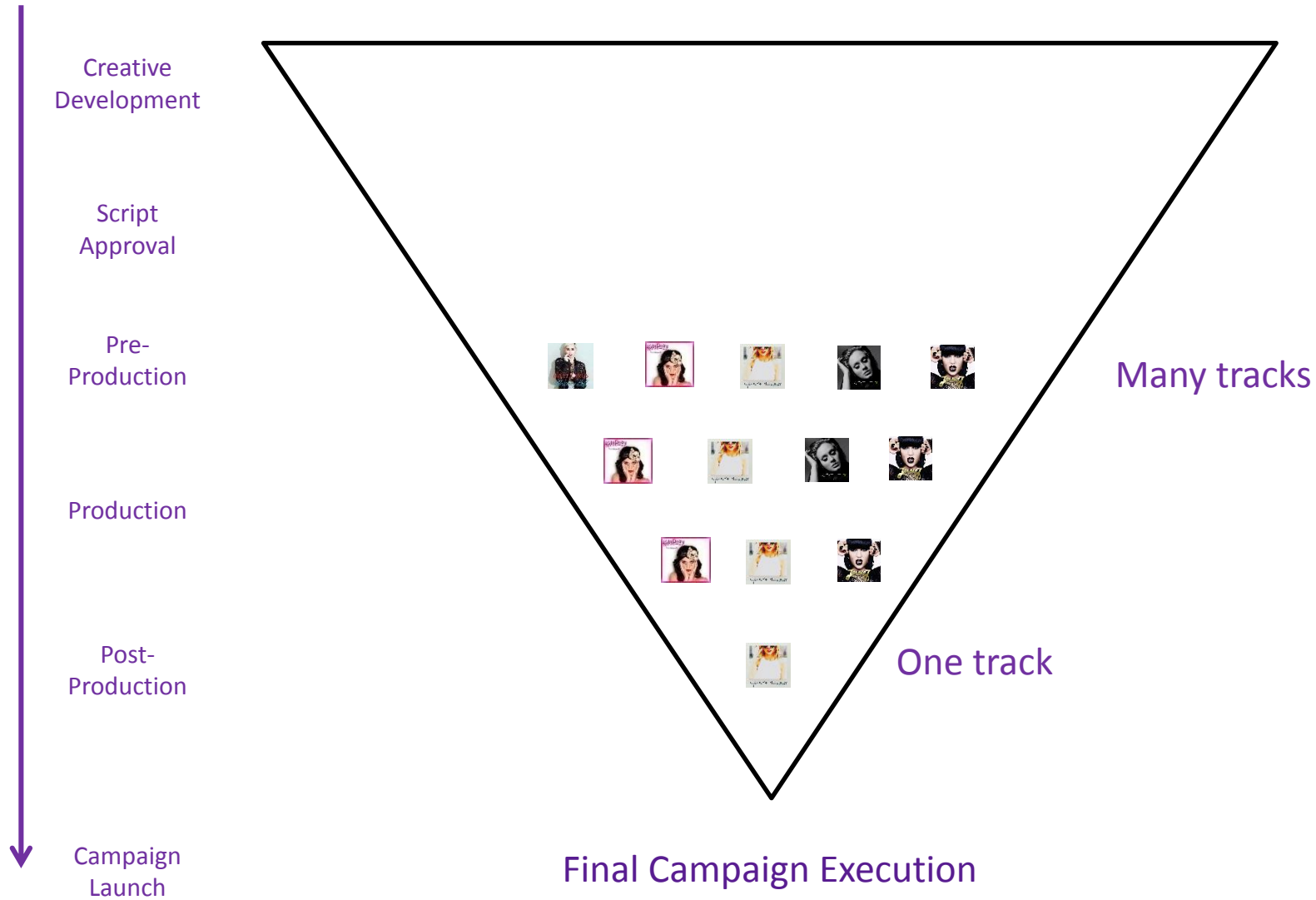
Why wouldn't you use competitive tendering?



Improve Your Bargaining Position

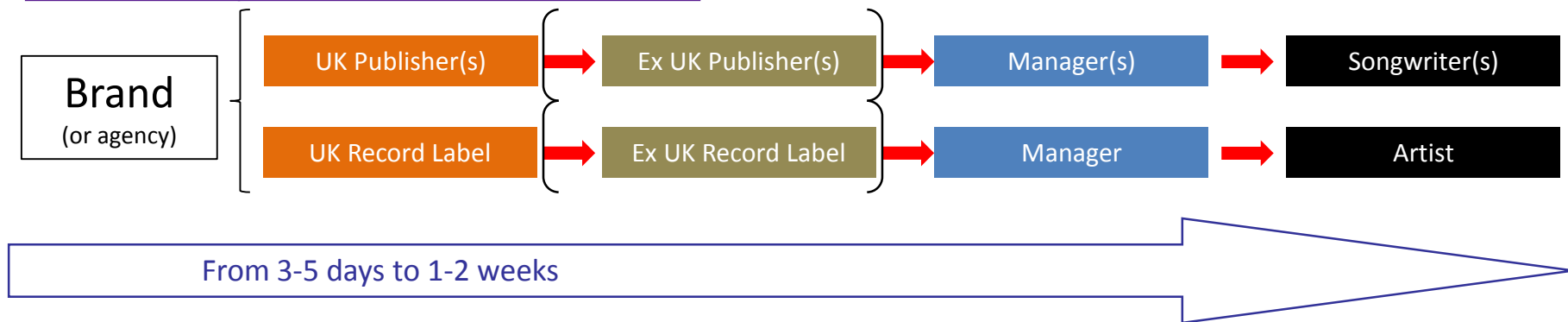


Start Earlier

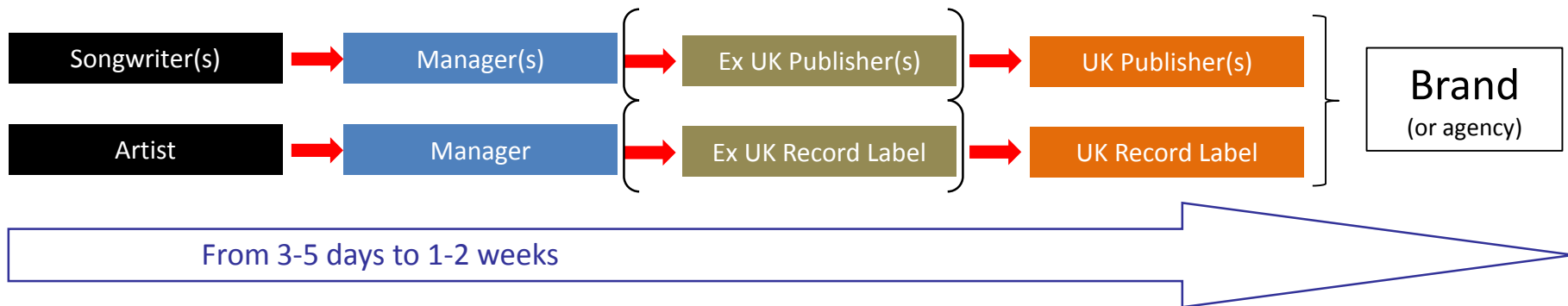


Starting earlier reduces costs ... this is why!

License Request : Outbound Process



Approval or Denial : Inbound Process



Risk

What's changing in the
rights landscape?

Greater Vigilance by rights owners



Stronger Enforcement



Take Down : 1 Video

Music Publishers



Record Labels



Take Down : Whole Channel

Three Strikes Rule



This video is no longer available because the YouTube account associated with this video has been terminated due to multiple third-party notifications of copyright infringement.

Sorry about that.



Risk Management

Preventative Measures

Problem



No Licence :
Copyright Infringement

Use outside licence :
Breach of Licence

Solution



Align



		JUL				AUG				SEP						OCT						NOV						DEC	
		3	10	17	24	31	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25		
Media		Older Affluent R&P: 63.4% @ 4.03 Ave. Freq. Younger Affluent R&P: 47.7% @ 3.33 Ave. Freq.																											
PRIME																													
FAIRFAX																													
SMYTHE AGE - Traveler	4 Page Cover Wino																												
SMH - Good Living	4 Page Cover Wino																												
THE AGE - Epicure	4 Page Cover Wino																												
GOOD WEEKEND	Full page Colour																												
GOOD WEEKEND	Half Page Colour																												
Sydney Mag/Wellness Mag	Half Page Colour																												
NEWS LTD																													
THE WEEKEND AUS MAG (Taste of Discovery)	6 x Zone 7-page inserts																												
DELICIOUS	Full page Colour																												
WISH	Full page Colour																												
PARADISE mag - Gold Coast	Full page Colour																												
Escape	10 x 15 Colour (with GPS edition)																												
CHARTER																													
Display																													
FAIRFAX ORX NETWORK	Various standard sizes																												
SM-Village/Brisbane Today	Pre-roll 10" & IPTV Shipibo																												
NEWS LTD NDM network	Various standard sizes																												
Content Distribution																													
SAY Media	AdFrames Display Unit																												
Adzonon	Joost Experience Unit																												
OTHER MEDIA																													
CINEMA	75"																												
TV	80" brand + 10" vertical																												

Problem



Copy Composition :
Copyright Infringement

Copy Recording :
Passing Off

Solution



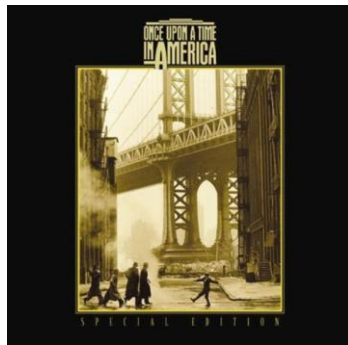
Prohibit
Intent

Written
Briefs

Case Studies

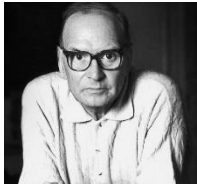
Peroni Nastro Azzurro

Storie Di Stile



Composer
“Publishing Rights”

“Poverty”

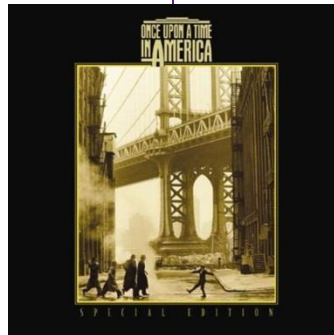


Ennio
Morricone

Music Publisher



100% Share

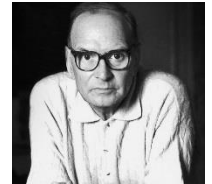


Artist
“Master Rights”

“Poverty”

Record Label

DISCORD



Ennio
Morricone

Songwriters “Publishing Rights”

“Always Something There To Remind Me”



Burt Bacharach
Composer

Music Publisher



50% Share

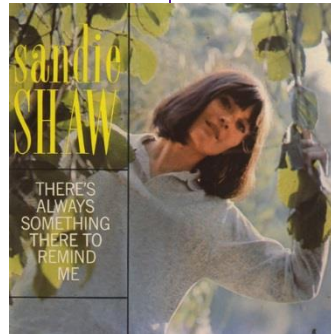


Hal David
Lyricist

Music Publisher



50% Share



Artist “Master Rights”

“Always Something There To Remind Me”

Featured Artist

Record Label



Sandie
Shaw

Non-Featured Artists

1964 UK Studio Recording
41 Session Musicians
Licensed by Musicians Union



Jaguar XF

How Alive Are You?



TVC



Band Promo

Songwriter “Publishing Rights”

“A Little Less Conversation”



Billy Strange



Scott Davis

Music Publisher

CARLIN
MUSIC
WORLD

100% Share



Artist “Master Rights”

“A Little Less Conversation”

Record Label



The Heavy

Ninjatune
Master Sync Licence
Artist Waiver

The Heavy
Re-record Agreement

4 Take-Aways

to action for next campaign

4 Take-Aways

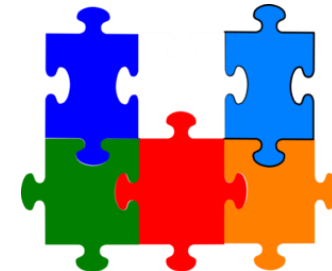
1. Start earlier with music



2. Clarify usage
& don't change it



3. Establish all the
rights owners



4. Have back-up tracks
& licence options



Thank You

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