



SONGTAEW SYNC

A Basic Introduction to Rights and
Revenue in the Music Industry

INTELLECTUAL PROPERTY IN THE MUSIC INDUSTRY

There are 4 main types of intellectual property that you likely deal with in the music industry, and each relates to a distinct set of rights that are copyright controlled (i.e. someone needs permission from the rightsholder any time they want to use them):

PUBLISHING RIGHTS

Musical Compositions

Lyrics

ARTISTIC RIGHTS

Release Artwork

Photography

MASTER RIGHTS

Sound Recordings

Music Videos

TRADEMARKS

Artist Name

Artist Logo

WHO UTILISES YOUR IP IN THE MUSIC INDUSTRY?

These 4 types of IP generate revenue for you whenever they're used by someone. Your industry partners help you to collect this revenue:

Music Publisher

They manage the rights to the composition, handling licensing of songs (e.g. for use in sync) and collect any royalties that are due. They may publish the composition as sheet music if appropriate, and may also handle rights to other written works, such as album liner notes. Reproduction of these can generate revenue. **Examples:** *Warner Chappell, Sentric, Itim Music Publishing, etc.*

Record Label

They manage the rights to the sound and video recordings, distributing the content on digital platforms and (sometimes) as physical products. They typically also pay for making the recorded content and lead on artist marketing, though often these expenses are recouped from the money the recordings generate. **Examples:** *Warner Music Asia, What The Duck, Kaleidoscope BKK, etc.*

Aggregator

The aggregator distributes your digital (and sometimes physical) products, and also collects data on sales and aggregates it into a sales report for you, and then collects the revenue generated. **Examples:** *Believe, FUGA, OneRPM, etc.*

DSPs

DSPs (Digital Service Providers) offer a place where your music can be streamed and/or downloaded by the general public at a price. They collect the initial payment, take a cut, then pay the balance to your aggregator. **Examples:** *Spotify, Apple Music, JOOX, etc.*

CMOs

CMOs (Collective Management Societies) represent rightsholders when it comes to recordings and compositions being used in various scenarios, including things like being played on the radio, being used as background music in a coffee shop, etc. They issue licenses for people to use the content, then pay a share of the license fee to the rightsholders. They also constitute the music industry's main databases of music. **Examples:** *MCT, Phonorights, MPC, etc.*

Merchandiser

The merchandiser produces and sells merchandise ('merch'), and may also handle licensing of artistic rights to third parties for production of merch. They may also handle trademarking. **Examples:** *Bravado, Crown Merchandise, Probita Merch, etc.*

COPYRIGHT BASICS

Whenever someone wants to utilise your intellectual property (such as the partners mentioned above) they need your permission to use the appropriate copyrights.

COPYRIGHT IS AUTOMATIC

i.e. as soon as you create something, you are the default owner (until you sign an agreement to the contrary). BUT...

WORKS MUST BE “FIXED”

The work (e.g. a song) must be captured in some permanent medium (such as a recording, or as musical score) such that it can be perceived, reproduced, or communicated in some way. Otherwise, how else do you prove you had the idea first?!

PRECISE RULES VARY BY TERRITORY

Copyright law in Thailand is different to the UK, which is different to the US, and so on. The Thai system protects Thai works, the UK system protects UK works, and the US system protects US works, etc.

COPYRIGHT DOESN'T LAST FOREVER

Different sets of rights are protected for different periods of time depending on the territory. For example, copyright for publishing rights might last 50 years in Country A, 70 years in Country B, and 100 years in Country C.

COPYRIGHT BASICS

An important thing to note...

COPYRIGHT CAN BE CO-OWNED

If something is co-created, it is co-owned e.g. if there s more than one songwriter.

SO...

... it is important to **AGREE** who owns what percentage of the composition, **DOCUMENT** this agreement through a writer split sheet which everybody signs, and **LOG** the ownership details with your local CMO for songwriters (e.g. in Thailand, you can use MCT).

DEFAULT COPYRIGHT OWNERS

The default copyright holder differs by territory, but here they are for Thailand...

LITERARY WORKS

e.g. lyrics, album liner notes

Default Rightsholder: Writer/lyricist

DRAMATIC WORKS

e.g. dance choreography

Default Rightsholder:
Writer/choreographer

MUSICAL WORKS

i.e. the composition

Default Rightsholder: Composer

ARTISTIC WORKS

e.g. album artwork

Default Rightsholder:
Artist/photographer*

SOUND RECORDINGS

i.e. the recording of the composition

Default Rightsholder: Whoever
booked/paid for the recording time

FILMS

e.g. a music video

Default Rightsholder: Director &
Producer*

* Note that these default owners often explicitly give up their rights within typical arrangements in the music industry. For example, the photographer who creates your press shots doesn't control copyright as the agreement with them specifies that they're creating a '**commission**' or 'commissioned work' (sometimes called a 'work for hire') i.e. one that you will control instead of them in exchange for paying them a fixed agreed fee. Default owners might also give up some/all control of copyright when they sign record deals, create music videos as works for hire, etc.

WHAT COPYRIGHT CONTROLS...

As a rightsholder, you can control things like...

REPRODUCTION

Making a copy of (part of) the song and/or recording, such as a physical record or a digital stream/download.

DISTRIBUTION

Putting your music into a store as a physical record or onto a DSP so it can be streamed.

RENTAL

Less common now, but, for example, if someone wants to rent a DVD or CD containing your work.

ADAPTATION

For instance, you can control whether or not someone can remix your song, or change the arrangement.

PERFORMANCE

Performing your song in some capacity e.g. playing it on the radio, playing it at a concert (live or as background music), etc.

COMMUNICATION

'Making available' the work for public consumption. You can control which works are made available.

If a third party wants to do any of these things, they **usually** need your permission. Usually, you will ask for money in exchange for granting that permission i.e. you grant them a license to exploit your copyright in exchange for a fee.

We say 'usually' because there are some exceptions e.g. for critical analysis (e.g. a review of your album) or for parody. These are 'fair use' copyright exceptions.

MASTER & PUBLISHING RIGHTS BREAKDOWN

Of the 4 main types of IP, there are two that are central to the music business, and that involve further nuances: master and publishing rights. Below is a closer look at how these work..

PUBLISHING RIGHTS

These rights apply to the song idea itself, that is to say the composition, usually referred to as the 'work'.

We can break these rights down even further...

MECHANICAL RIGHTS

These rights come into play when a work is reproduced e.g. as a vinyl record or as a digital stream.

PUBLISHER

SONGWRITERS

PERFORMANCE RIGHTS

These rights come into play when a work is publicly performed e.g. at a concert, on the radio, or as a stream.

PUBLISHER

SONGWRITERS

MASTER RIGHTS

These rights apply to a specific recording of a composition or 'work'. There can, of course, be multiple recordings of the same work e.g. the original Big Machine recordings and Taylor's versions of her albums.

We can break these rights down even further...

NEIGHBOURING RIGHTS

These rights come into play when a recording is publicly performed e.g. on the radio, or as background music in a cafe..

ARTIST/LABEL

PERFORMERS

MASTER RIGHTS

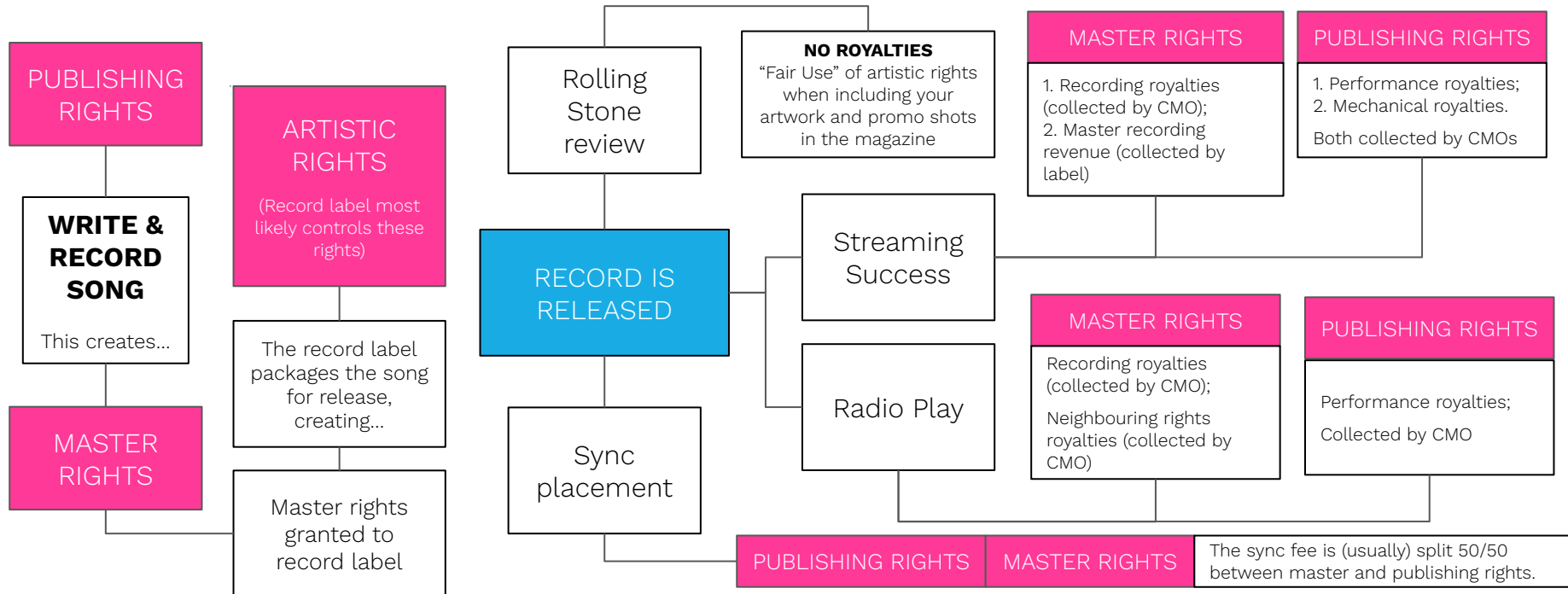
These rights come into play when a recording is reproduced e.g. a CD is sold, a recording is streamed, etc.

ARTIST/LABEL

PRODUCER

A RIGHTS AND REVENUE JOURNEY...

SITUATION: You write a song and release it via a record label. The song does really well on streaming platforms, and gets played on the radio. It also gets reviewed in Rolling Stone magazine. As a result, it comes to the attention of a TV show producer in Japan who wants to use it as a theme song for their new show, she's willing to pay you a \$5,000 fee, but the terms of the deal exclude any further royalties from the deal.



A NOTE ON TRADEMARKS

An important thing to note...

TRADEMARKS ARE NOT AUTOMATIC

To trademark something, such as an artist's name or logo, you must register this with the appropriate authorities in your country. This usually involves a fee, and not everything is trademarkable - if your name is very common (e.g. 'Jim Thompson') then it probably can't be trademarked. However, you can probably trademark the presentation of that name in a particular typeset/font, helping you create a brand you *can* protect.

Your music cannot be trademarked, but it is protected by the copyrights described previously. That means there are separate laws governing these two different methods of protecting the intellectual property you likely deal with in the music industry.

