



PROTECT YOUR ART



LEARNING GUIDE

Producer Licenses

- A producer license is an agreement is legal proof that the producer has given them permission to use the beat.

Non- Exclusive Licenses

- In a non-exclusive license, the producer grants the artist permission to use the beat to create a song of their own and distribute it online. The producer will still retain copyright ownership (more about this later) and the artist has to adhere to the rights granted in the agreement.
- Most non-exclusive licenses have a limitation on sales, plays, streams or views. For example, the license might only allow a maximum number of 50,000 streams on Spotify and/or 100,000 views on YouTube.
- A non-exclusive license also has an expiration date. Meaning that it's only going to be valid for a set period of time. This could be anywhere between 1-10 years.

Exclusive Licenses

- When you license the Exclusive Rights to a beat, there are no limitations on user rights. Meaning that an artist can exploit the song to the fullest.

Work for Hire Agreements

- A work-for-hire (or "work made for hire") agreement essentially states that a person or company who commissions a work from an author retains actual ownership and is, in fact, considered the legal author of the work. The actual creator of the work may or may not be publicly credited for the work, and has no rights to payment beyond what was promised in the initial work-for-hire agreement.

Recording Agreements (Royalty-Based/ Joint Venture/ Distribution)

- A recording contract (commonly called a record contract or record deal) is a legal agreement between a record label and a recording artist (or group), where the artist makes a record (or series of records) for the label to sell and promote. Artists under contract are normally only allowed to record for that label exclusively; guest appearances on other artists' records will carry a notice "By courtesy of (the name of the label)", and that label may receive a percentage of sales.
- Labels typically own the copyright in the records their artists make, and also the master copies of those records. An exception is when a label makes a distribution deal with an artist; in this case, the artist, their manager, or another party may own the copyright (and masters), while the record is licensed exclusively to the label for a set period of time. Promotion is a key factor in the success of a record, and is largely the label's responsibility, as is proper distribution of records.



Joint Venture Agreement

- The word 'joint' implies a joining of forces by a major label and an indie label, whereby they agree to share responsibility for the making of records and for the marketing and promotion of those records. These responsibilities are divided in whatever way the two labels agree upon in their formal joint venture agreement. The major label finances the joint venture. Then, from records sales income, the major label will reimburse itself for the expenses that it has occurred, and the net profits are then divided between the two labels.

Distribution Agreement

- Independent labels or Artists own the masters, and is licensing (leasing) the masters to the major label or distributor for a limited period of time. In exchange, the major label or distributor will pay royalties to the independent label.

Publishing Agreement (Co-Publishing Agreement/Admin Agreement)

- In general terms, a typical publishing deal involves the assignment of some part of the ownership or ownership rights of your musical compositions to a publishing company in exchange for a share of the royalties received by the publisher for exploitation of the songs. The publisher can also provide co-writing opportunities based on industry relationships and pitching opportunities.

Co-Publishing Agreement

- A co-publishing deal is an agreement when you share the publishing with someone else (whether an individual or a company). You as the songwriter typically assign 50% of your publishing share over to this other entity in exchange (usually) for money. The money can come in the form of an up front advance, or a draw where you get paid in semi-annual, quarterly or even monthly installments. The term of the co-publishing agreement is usually for an initial 12-month year, with options to extend the agreement for an additional year(s).

Administration Agreement

- You retain 100% and engage a third party as your administrator to do all things administrative relating to your songs: PRO registrations, registrations in the US Copyright Office, worldwide registrations through sub-publishers to collect your foreign income, negotiating and issuing licenses, collecting your royalties from all sources, etc. Though you retain all ownership in your songs, you do give up a percentage to get these services done for you on your behalf – that percentage is typically 10-15% for domestic income and 15-20% for foreign income.

Management Agreement

- In general terms, a typical publishing deal involves the assignment of some part of the ownership or ownership rights of your musical compositions to a publishing company in exchange for a share of the royalties received by the publisher for exploitation of the songs. The publisher can also provide co-writing opportunities based on industry relationships and pitching opportunities.

