

COPYRIGHT, LEGAL AND MANAGEMENT

WORKBOOK 7

CHAPTER 1 DEALING WITH INTERMEDIARIES

- P 6 What is it?
- P 6 Why do I need to know about this?
- P 7 Project
- Notes and guidance
- P 11 Dealing with intermediaries
- P 17 Music Development agencies
- P 18 Case study
- P 22 When do you need a manager?
- P 23 What qualities should I look for in a manager or management company?
- P 23 Where can you find managers?
- P 24 When do you need a lawyer?
- P 25 Where can you find music lawyers?
- Want to know more?
- P 26 More information
- P 29 More tasks

CHAPTER 2 WHAT IS COPYRIGHT?

- P 32 What is it?
- P 32 Why do I need to know about this?
- P 33 Project
- Notes and guidance
- P 37 Copyright - What is it?
- P 42 Copyright infringement
- P 42 Practical guide to clearing samples
- P 43 Music on the Internet
- P 44 Related rights
- P 44 Performance rights
- P 46 Duration of copyright
- P 47 Exploiting your copyright
- Want to know more?
- P 48 More information
- P 51 More tasks

CHAPTER 3
MUSIC INDUSTRY
CONTRACTS



P54 What is it?
P54 Why do I need to know about this?

P55 Project

Notes and guidance

P59 What is a contract?
P60 Music agreements
P61 Management agreement
P66 Recording agreement
P70 Advances and recoupment
P72 Publishing agreement
P75 Independent record labels
P75 Music publishing companies
P76 Case study
P78 Licensing agreement
P79 Agency agreement
P79 Venue or performance agreement
P80 Production agreement
P80 Merchandising agreement
P81 Television and radio appearances
P81 Synchronisation
P82 Producers agreement

Want to know more?

P84 More information
P85 More tasks

CHAPTER 4
GROUP
AGREEMENTS



P88 What is it?
P88 Why do I need to know about this?

P57 Project
– combined with project for chapter 3

Notes and guidance

P89 Partnership law
P90 Limited company

Want to know more?
For more information and more tasks,
look at P84-85.

CHAPTER 5
LEGAL AND
BUSINESS ISSUES



P94 What is it?
P94 Why do I need to know about this?

P95 Project

Notes and guidance

P99 Trading in business
P99 Sole trader (Self employed)
P100 Partnerships
P100 Limited companies
P102 National insurance, income tax and VAT
P104 General tax issues

Want to know more?

P106 More information
P108 More tasks

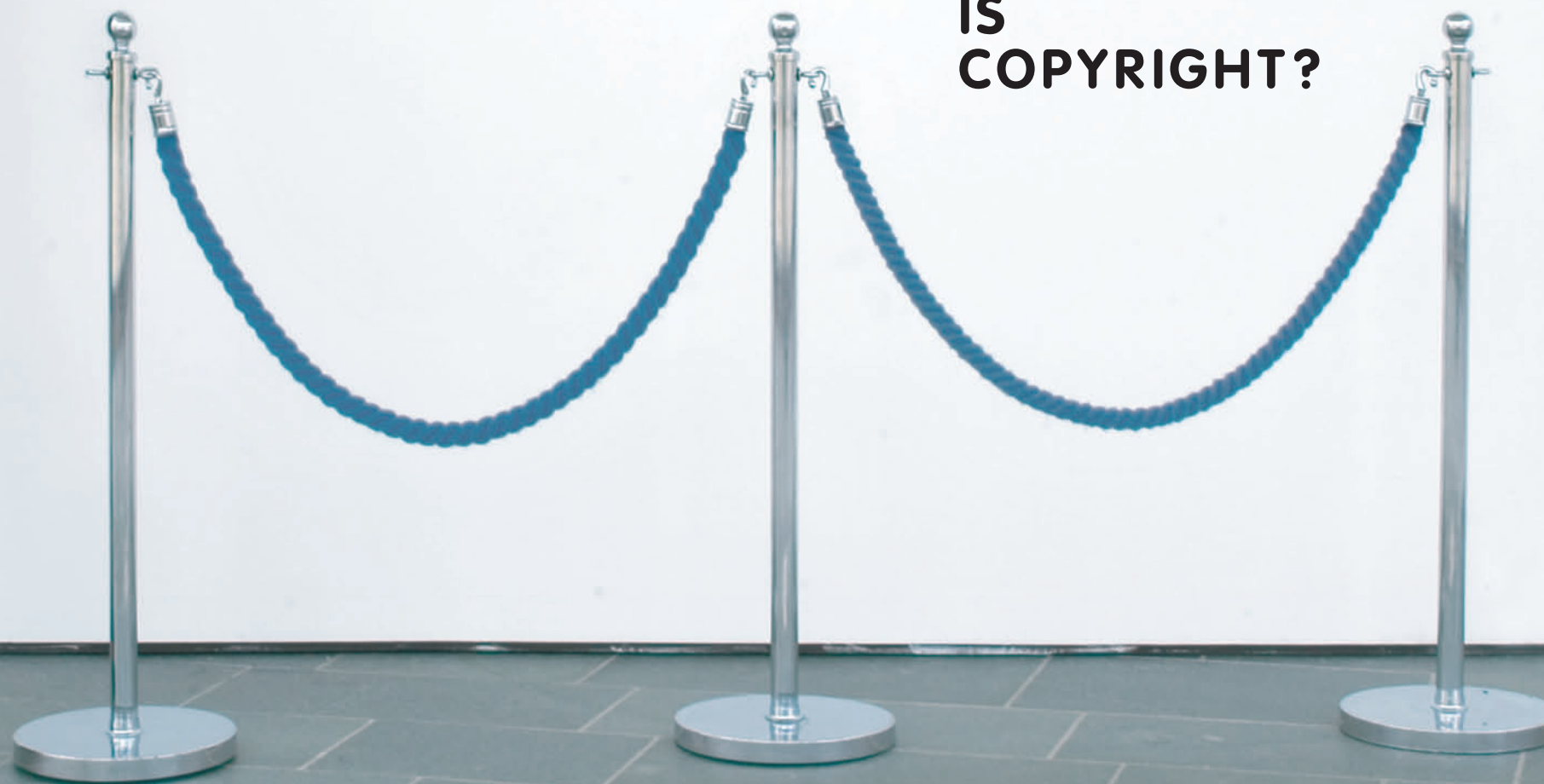
- Chapters that are essential to this workbook.
- Chapters that are optional to this workbook.

Please note

Any details or photographs of equipment, software, manufacturers or suppliers do not constitute a recommendation or endorsement by DWP, but are intended to provide typical reference examples only.



**WHAT
IS
COPYRIGHT?**



WHAT IS IT?

The music business is first and foremost a business like any other. Whilst it is fair to say you do need talent, that is not all you need. In order to succeed it is important for you to understand the nature of the rights that you are creating and how those rights can then be exploited in order to make money.

The types of copyright most relevant to you as a musician, songwriter or producer are

1. literary works (i.e. the lyrics of a song)
2. musical works (i.e. the music itself)
3. sound recordings (i.e. the Master)

WHY DO I NEED TO KNOW ABOUT THIS?

Copyright is an essential aspect of the music industry. If you write an original piece of music, then you have created a copyright work, which belongs to you and can be bought and sold.




If you know more about copyright, it will help you as a writer, producer or performer to understand the value of what it is you are creating and you can make money from your music.

Cautionary Note!

It is likely that you will not be able to understand everything in this chapter, certainly in the first reading.

Don't worry! Even seasoned industry professionals have difficulty with copyright and contracts. This is one of the reasons why musicians, managers, record companies and publishers all use lawyers and other professional business advisers.

Do not rely solely on information provided in this workbook! It is always advisable to seek independent professional legal advice when entering into any legal agreements.

-  **HOW LONG**
should this assignment take?
Every person works at his/her own pace. As a guide, this should take you 3 hours to read and research and another hour to write your answers and discuss them with your tutor.
-  **HOW**
will I be assessed?
Your tutor will assess your work. He / she will give you feedback on how you have done. If your work needs further work to be passed, then you will be given the chance to do further work to bring it "up to scratch". For more details, please refer to your MOLP's own guidance.
-  **WHAT**
do I do now?
Read the TASKS section below to get an overview of this project. Then read the NOTES AND GUIDANCE section for help. Carry out the TASKS.

TASKS

- 1 What is the name of the legislation that governs copyright law in the UK?

- 2 Fill in the gaps.

What type of copyright work is this?
(Tick one or more boxes)

What type of copyright work is this? (Tick one or more boxes)	MUSICAL WORK	LITERARY WORK	SOUND RECORDING
The words to a hit musical			
The theme music for 'Eastenders'			
Any album by the Beatles			
The song 'Brown Sugar' by the Rolling Stones			

- 3 Answer the following questions.

I can protect my copyright by writing © on the label.	True / False
I can protect the copyright in my song by posting a copy of it to myself in the post.	True / False
As soon as I have written down or recorded my song, the copyright is created.	True / False

- #### 4 What do the 'restricted acts' mean in practice?

- 5 Answer the following questions. Is this an example of copyright infringement? Why?

Someone takes a CD from their home collection, makes 1000 copies and sells them on the local market.

A remixer uses a small sample of a well known 1990’s recording in their dance remix. They have not cleared the sample with the copyright owner / s.

You upload all the music you have written in MP3 form onto your own website to sell downloads.

6 Give a practical explanation of how you should go about clearing a sample.

7 What do you understand by ‘Moral rights’. Write your explanation here.

8 If you have written the music and lyrics for a song, how long after your death does the copyright in your music and lyrics last?

NOTES AND GUIDANCE

COPYRIGHT - WHAT IS IT?

Here is the **LEGAL DEFINITION**:

"Copyright is a proprietary right given to the creator of an original literary, dramatic, musical or artistic work. Copyright is also granted to the creator of original sound recordings, films, broadcasts, cable programmes and typographical arrangements".

UK copyright legislation is found in the Copyright, Designs and Patents Act 1988 ("the Act").

What does this mean in practice?

If you have written a piece of original music, you have created a musical work

If you have written some original lyrics, you have created a literary work

If you make an original recording or 'master', you have created a 'sound recording'.

All these are examples of copyright works. Other examples of copyright works to be found in music include:

The libretto to an opera (a literary work)

An album by a pop group (a music work AND a literary work AND a sound recording)

The lyrics that you find reprinted in pop music magazines (literary work)



When does my work become copyright?

In the United Kingdom, copyright exists as soon as a work is set down in a “fixed” form - that means written down on paper or recorded onto tape / CD. There is no copyright in an idea, it has to be in a fixed form. If you have written an original piece of music, as soon as you put the music into a written form or recorded form, copyright is created at that moment.

Some countries such as the USA offer greater copyright protection if the song is registered, however in the UK there are no formal registration requirements.

It is a common misunderstanding amongst musicians that copyright is in some way "created" by posting a recording/manuscript of your music to yourself by Recorded and Signed For mail. This does not create the copyright but it is a useful way of proving (should you need to do so) the date upon which you created your work.

Another misunderstanding surrounds the use of the © symbol. The use of the symbol itself does not create the copyright. It simply acts as a notice to tell people that you are the copyright owner and should warn them not to copy your music without your approval.



TIP

How do you protect your copyright in a sound recording?

Your copyright is created as soon as you have set your music down in a fixed form. However you may want to prove that you are the copyright owner if there is a problem later on. The easiest way to do this is to send a copy of your music by 'Recorded and Signed For' mail to yourself or a professional person (such as a solicitor or bank manager) who can store it safely for you unopened. Use the © symbol with your name and date, only put one work in the envelope and mark that work outside the envelope.

TIP

You have a band name that you want to protect? What do you do?

Check with www.thebandregister2.co.uk or www.bandregister.co.uk. They will check to see if your name already exists. In general, a name would be awarded to a band who perhaps have traded for some time and who might suffer most on a financial basis. Example, a working cabaret band, who are performing three or four times a week and have been together for twelve months, would be favoured against a new act who have not as yet, started gigging.

Although copyright does not exist in a single name, the actual value in a band’s name and logo can be quite significant. Considering how much bands make from the sale of merchandise, it’s not surprising that an artist may wish to **trade mark** a name and logo to offer better protection.

You can register your band name and logo as a trade mark in the UK, but remember that this may cost hundreds if not thousands of pounds.

For more information on trade marks go to www.patent.gov.uk/tm/

It is important to understand that several copyrights can exist in a single piece of music or a song.

If you are the writer of the music and the lyrics: → You will be the first copyright owner of the musical copyright work and the literary copyright work.

If your song is then recorded and a master sound recording created, a third copyright is created: → The copyright in the sound recording. This is owned by the person "who made the arrangements necessary for the making of the sound recording."

Who owns the copyright in a demo sound recording? → Whoever ‘made the arrangements necessary for the making of the sound recording’. This may be the musicians themselves, or it may be the manager if they have made all the recording arrangements and paid for the studio. It could be the record company if they have paid for the recording, or a publishing company if (for example) they have paid for some demo recordings.

Who owns the copyright in a recording made by an artist under contract to a record company? → The copyright owner in the sound recording will almost certainly be the record company.

It is important to remember the distinction between the music and literary copyrights in the song and the copyright in the sound recording. Each of the copyrights can be owned by different people and generate different revenue streams.

**AS THE COPYRIGHT OWNER
- WHAT ARE MY RIGHTS?**

As the copyright owner, you have certain exclusive rights. These rights are referred to as the "restricted acts". The law allows you to prevent other people from copying, performing, broadcasting or adapting your work without your consent. If a person does copy a substantial part of your music without your consent this may constitute copyright infringement.

In practice, this means that if you have written a song (or part of a song) then your permission is required before anyone wishes to perform, record, copy or sell your music in any way.

COPYRIGHT INFRINGEMENT

If anyone copies or uses your work without your consent then this may constitute copyright infringement.

Infringement is when a substantial part of the work has been copied. There are no hard and fast rules about exactly what "substantial" means.

A popular example of copyright infringement is the use of samples. When sampling music, you should seek the consent of all the copyright owners regardless of the length of the sample. If the sample is recognisable from the song or recording that it has been taken from, it is likely that this will be copyright infringement even if it is just a few seconds long.

If someone has infringed your copyright, you will be entitled to a number of legal remedies:

an **INJUNCTION** to prevent the infringer from continuing to use your music or recording

an order for **DELIVERY UP** of the infringing copies (i.e.) you will be able to take possession of all records, tapes, demos, CDs that contain samples of copies of your music or recording

DAMAGES

However remember that you will need to spend money on a lawyer to do this.

THINK ABOUT THIS IF YOU INTEND TO USE SAMPLES!!



Many people frequently say "the rule is you can use 30 seconds for free". This is wrong.

PRACTICAL GUIDE TO CLEARING SAMPLES

If you want to release a recording commercially, it is vital that you clear the use of any sample that you have included.

You will need to get clearance from the owners of the copyrights in both the sound recording and the song itself. If a record has been released in the UK, you can contact MCPS who will have up to date information about the copyright owners and can also talk you through what steps you need to take to get your sample cleared.

You could also pay a specialist sample clearance company to do this for you, but it will cost several hundred pounds.

When you do contact the copyright holder(s), send them your track with details of where the sample is - tell them how and where you are going to release it and how many copies are being released. Make it easy for them to get back to you and make a decision. You will need to agree how any royalties will be split and they may ask for an advance

Don't leave it too late – if you release a record with an uncleared sample in it, the copyright owners may sue you for copyright infringement, stop the record from being released (an injunction) or demand a substantial part of your income from that release.

See 'More Information' for links to useful websites.

MUSIC ON THE INTERNET

With the advent of mobile phones, MP3 files, Napster, iTunes and other online music services, the way people consume music has changed forever.

In the digital world, the same rules of copyright apply. The downloading or other use of music from the Internet must be authorised by the copyright owner in the same way as any other distribution method. Unauthorised copying is a "restricted act" under the Act and will constitute infringement if "substantial" Any use of copyright works on a web site should be licensed (authorised) by the copyright owner.



In 2003, The Recording Industry Association of America (RIAA) took legal action against hundreds of individuals who had been using internet file-sharing programs such as Grokster and Kazaa. They did this in an effort to deter the entire population from using these services and getting music for free.

Also, a number of highly successful artists separately pursued file share users as they were concerned about the impact on their record sales.

RELATED RIGHTS

There are other ‘related rights’ that you need to be aware of.

MORAL RIGHTS

As the creator of the copyright, the law also gives you further rights which are referred to as "moral rights".

The right of paternity is simply the right to be credited as the composer of the work.

The right of integrity is the right to prevent any derogatory treatment of your work. For example, if someone sampled your work without your consent, you may also consider they had in some way prejudiced your reputation. In this case, you may be able to bring a claim for breach of your moral rights. If the sample is substantial, you may also be able to bring a copyright infringement claim.

Eminem sued Apple Computer in a copyright infringement lawsuit filed in Detroit in February 2004, claiming that it used one of his hit songs, "Lose Yourself", in a TV advertisement without permission.

PERFORMANCE RIGHTS

The law also gives rights to performers in respect of their live performances and also in relation to the recordings made of their performances. As a general rule a recording of a performance cannot be exploited without the consent of the performer. Performance rights are separate and different from copyright or moral rights. Performance rights are in addition to and independent of any copyright in or moral rights relating to any work performed or any sound recording of the performance.

There is a distinction between:

1. the right that a performer has in his performance;

and

2. the right of a copyright owner to prevent the public performance of his work.

The legal definition of a "performance" is:

- (a) a dramatic performance
- (b) a musical performance
- (c) a reading or recitation of a literary work
- (d) a performance of a variety act or similar presentation

Examples of those who have rights in their performance:

musicians
actors
dancers
singers
news presenters

The Rental Directive has introduced the right for performers to receive payment for the exploitation of their performance when it is broadcast or shown to the public.

The Rental Directive “requires that performers are remunerated for broadcasting or other communication to the public of commercially published sound recordings of their performances”

CASE STUDY

A Session Musician who plays on a track in the studio

Performance rights are particularly important to session musicians who are unlikely to have any copyright in the music they perform. A session musician actually has rights in his/her performance.

Session musicians are able to sign up directly with the PPL (or a Performer organisation such as AURA and PAMRA) and collect income from the exploitation of their performance on the recording.

For more information on claiming payments from PPL, AURA and PAMRA

➤ WORKBOOK 8 – BUSINESS AND MONEY
– CHAPTER 3

DURATION OF COPYRIGHT

For musical or literary work, copyright lasts for 70 years after the end of the year of the death of the author.

Sound recording copyright lasts for 50 years from the year the recording was made or released.

Once copyright has expired, a work or recording becomes ‘out of copyright’ and falls into the ‘public domain’. This means that the work or recording is no longer protected and can be copied freely by anybody.

There are different durations in different countries.

EXPLOITING YOUR COPYRIGHT MAKING MONEY OUT OF YOUR MUSIC

Once you have created a copyright work, copyright law allows you to control the exploitation of your music. As the first copyright owner you are able to exploit your rights by entering into either licence agreements or assignments with third parties.

It is the rental or sale of your copyright that will make you money and entitle you to the payment of royalties. Even if you are not a writing member of a band, the law gives you rights in your performance which allows you to prevent or restrict the exploitation of your performance and entitles you to fair compensation in the event that your performance is commercially exploited.

When you assign your rights, you sell them

An assignment is a complete "buy-out" of your rights. You sell all your rights. You will cease to have any rights.

When you license your rights, you rent them

A licence on the other hand can take many different forms and is basically an agreement where you allow somebody else to use your rights for a limited purpose and for limited time. With a licence you maintain ownership of the copyright at all times.

In practice, this means that you may deal with one or more of the following organisations:

**PUBLISHING COMPANY
RECORD COMPANY.
COLLECTION SOCIETY**

Go to CHAPTER 3 Workbook 8 and find out more about the ways in which you can work with business organisations and collection societies to exploit your copyrights.

WANT TO KNOW MORE?

LINKS

New Deal for Musicians has no responsibility for or control of the following sites. The inclusion of any site does not necessarily imply New Deal for Musicians approval of the site. To access any of the sites please click on the link or search using keywords from the name of the link.
www.dfes.gov.uk/ukonlinecentres/ Find Internet access that's close to you.
Also look at weblinks in workbooks 1 and 2.

GENERAL COPYRIGHT AND INTELLECTUAL PROPERTY

- ☐ **www.bmr.org**
British Music Rights
Campaigns for the protection of music copyrights at national and European level, particularly in relation to new technologies.
- ☐ **www.bpi.co.uk**
British Phonographic Industry
BPI represents the UK record industry and campaigns against piracy.
- ☐ **www.ifpi.org**
International Federation of the Phonographic Industry
Represents the recording industry worldwide and campaigns against piracy and for trade.
- ☐ **www.wipo.org**
World Intellectual Property Organisation
The 'General Information' section of this massive web resource on Intellectual property features a useful section dedicated to SMEs.
- ☐ **www.patent.gov.uk**
The Patent Office
The official body for the granting of patents and for the registration of designs and trade marks in the UK.
- ☐ **www.iapu.org**
International Anti-Piracy Tool - SONGBIRD
Free, anti-piracy internet software that helps music copyright owners find out how their music copyrights are being infringed in the online world.
- ☐ **www.musictank.co.uk**
Music Tank – keep up to date with news plus links to helpful sites.
- ☐ **www.musiciansunion.org.uk**
Musicians' Union – advice on copyright issues.

COLLECTION SOCIETIES

- ☐ **www.prs.co.uk**
Performing Right Society
Collects monies from the broadcast and public performance of music, on behalf of its members who are songwriters, composers and publishers.
- ☐ **www.mcps.co.uk**
Mechanical Copyright Protection Society
Collects monies from record companies and any other business that embeds music in a sound bearing device (eg. toys, computer games, greeting cards, films and TV programmes) on behalf of members.
- ☐ **www.ppluk.com**
Phonographic Performance Limited
PPL collects a royalty for the broadcast use and public performance of recording.
- ☐ **www.vpluk.com**
Video Performance Limited
VPL is a sister company of PPL. It licenses and collects royalties from the use of music videos for broadcast and public performance.
- ☐ **www.pamra.org.uk**
Performing Artist' Media Rights Association
PAMRA is the collection society for performers, collecting monies from the public broadcast of their recordings in the UK and qualifying territories overseas.
- ☐ **www.aurauk.com**
Association of United Recording Artist
Represents and advises UK professional recording artists, performers and studio producers.
- ☐ **www.era.org.uk**
The Educational Recording Agency Ltd
ERA licenses, and distributes revenue from, the recording and use of radio and television programmes for teaching and educational purposes.
- ☐ **www.cisac.org**
International Confederation of Authors and Composers
CISAC is an international organisation regrouping authors' societies in 103 countries (UK music industry members are PRS and MCPS). It aims to improve the collective administration of authors' rights worldwide
- ☐ **www.biem.org**
International Bureau of Societies Administering the Recording & Mechanical Reproduction Rights
BIEM is an international organisation representing the interests of mechanical rights administration societies in 38 countries. Its UK member is the Mechanical-Copyright Protection Society.

- ☐ Sample Clearance
You can clear samples yourself – find the copyright owner through www.mcps.co.uk or search for a specialist clearance company using a search engine.
- ☐ www.bbc.co.uk/radio1/onemusic/legal/samplep01.shtml
Advice on sample clearance from the BBC One Music site.
- ☐ Information on trade marks
www.patent.gov.uk/tm/
- ☐ Register your band name
- ☐ www.thebandregister2.co.uk
- ☐ www.bandname.com
- ☐ www.bandregister.co.uk

BOOKS AND MAGAZINES
See those listed in chapter 1 and in workbook 1, chapter 2.

- ☐ **M Magazine**
The magazine of the MCPS-PRS Alliance – available to members.
See www.mcps-prs-alliance.co.uk
- ☐ **Music and Copyright**
Simon Frith, Lee Marshall
Publisher : Edinburgh University Press
ISBN : 0748618120
- ☐ **All You Need to Know About the Music Business**
Donald S. Passman
Publisher : Simon & Schuster
ISBN : 0743246373
- ☐ **Making Music with Samples: Tips, Techniques, and 600+ Ready-to-use Samples**
Daniel Duffell
Publisher : Backbeat UK
ISBN : 0879308397

MORE TASKS

- 1 You want to use a sample from an established recording artist. Follow these steps to find out how it's done.
Choose a recording which you want to sample
Read the One Music guide to clearing samples
- 2 Read workbook 8, chapter 3 to learn more about how to use copyright to earn you money.
- 3 Find out more about licensing works for specific purposes –
Where can you find information about licensing music for an educational film for children?
Where can you find information about licensing music to put to an advertisement video?
Where can you find information about covering a friend's track on your demo album?
- 4 Find out how the following legal download sites work and what their terms and conditions are:
Napster
MP3.com
Apple iTunes

How many copies of each track you pay for can you make?
What are the restrictions on using, playing or storing the track?
- 5 Research Intellectual Property in other artistic works – for example, in:
A logo you design for your band or business
A t-shirt you have printed up to sell at gigs
A video you have made of a recent gig which features other bands as well as your own