

What Is A License And Why Is It Needed?

Put simply, you need a license in order to use music legally. Whether you are using music at home or in a commercial project it will require a license. In the example of home use, the CD you buy from a music store is a license to listen for your own personal pleasure. You are not able to reproduce it or broadcast it in any way.

If you wish to use music as part of your business or in a commercial project you will need to get the relevant licenses depending on your usage. The fee you will have to pay will vary depending on the scope of your project and whether the music is mainstream.

Arranging clearance to use mainstream music can be a complicated process and can require a large budget. In comparison, using original music from an independent composer is less complicated to license and can easily fit into your budget.

Basic Parts Of A Music License The Agreement

When you purchase a license you are paying a fee to have certain rights assigned to you for a defined period. This is subject to the terms and conditions of the agreement. Your agreement will detail where and how you can use the music and will also point out the limits or restrictions of the license. The copyright does not become yours, it remains with the composer – you have only been assigned some of the rights.

Exclusivity

Music can be licensed on an exclusive or non-exclusive arrangement.

An exclusive agreement means that you are the sole user during the life of the agreement and nobody else can use it for the same purpose.

Non-exclusive usage means that anyone can license the music at anytime.

Territory

Music is traditionally licensed within certain territories of the world. This is because the royalty collection societies tend to operate within their own country rather than globally.

Recently, there has been an increase in digital delivery of music with agreements covering worldwide use that bypass the royalty collection societies.

Strange but true, some license agreements even make provision for intergalactic use!

Term

The term is the period of time that you are able to license the music for. This can be from as little as one day or as much as 100 years.

Synchronisation Rights In order to include music in a product or production you have to pay what is known as the synchronisation or sync fee. There are no standard prices set by the industry for a sync fee and the fee can be open to negotiation.

Mechanical Royalty

The mechanical royalty covers the number of duplications you wish to make of your product. The mechanical royalty collecting societies have set rates for these, however, some composers / companies are now starting to use digital delivery and will license music directly without using the collecting societies. This can get you a better deal and give you the rights to produce a specified number of reproductions within the license agreement.

Performance

Performance royalties are due anytime music is broadcast on websites, TV, radio, podcasts, etc, or played at public exhibitions, events, public houses etc.

Quite often a license agreement will exclude coverage of these, making it the responsibility of the person or company broadcasting the music. This involves paying an additional fee to the performance royalty collecting societies. Many Royalty Free licenses operate in this manner.

There are occasions where a company or composer will cover the performance element in the license fee you pay, but you have to be clear about this, either by negotiating with the composer or checking the small print before purchasing.

Conclusion

Music licensing is a lot simpler to understand once you know the basic components of an agreement and what they actually cover.