LICENSING

If someone is going to be using a piece of your music and if they are making a reproduction of music in connection with the following, they must get your permission to use the composition:

- Commercials
- Karaoke
- Television Programs
- Motion Pictures
- Theatrical Productions
- Music Boxes
- Corporate Videos

- Samples
- CD's / Cassettes
- Adaptations
- Computer Software
- Parodies
- Printed Sheet Music
- Internet
WHAT KIND OF LICENSES ARE THERE?

Synchronization License
Master Recording License
Mechanical License (for CDs, cassettes, record albums)
Videogram License (for video cassette, optical laser disc, home video product)
Print License (sheet music, music folios)
Grand Rights License (permission to perform a song dramatically)
New Media License (computer software, Internet)
Performance License (permission to perform a work publicly)
A music synchronization license - or sync license, is a music license that allows the license holder to "sync" music to some kind of media output. Often sync licenses are used for TV shows and movies, but any kind of visual paired with sound requires a sync license.

A sync license gives you the right to use a song and sync it with a visual in that when you hold a sync license, you are allowed to re-record that song for use in your project. If you want to use a specific version of the song by a specific artist, you also need to get a master recording license. Typically, a sync license is obtained from a music publisher while the master recording license is obtained by from the record label or owner of the master. A sync license covers a specific period of time, and the license will stipulate how the song can be used.
Because of the changing patterns and uncertainty of television distribution, it is common for producers to negotiate for a number of different licensed rights and options for future exploitation in order to fix their costs at the outset of production.

1) media (ex: free television, basic cable television, pay television, home video);
2) territory (ex: World, United States, World excluding United States); and
3) length of license term (ex: one year, five years, perpetuity). Remember that for each term licensed, a sync license earns a flat fee, no matter how many times a program is broadcast within that term.

All of these, including the type of use and duration of the music in the program, go into determining whether permission will be granted and the amount of the license fee.
Producers will want to acquire all rights in all media in perpetuity for a fixed price ("buyout"). This includes media not currently known or developed. This is a major negotiating point.

Now, with the advent of all types of new media platforms, such as CD-ROM and CD-I, movies can be shown on a personal computer or television and manipulated in ways never dreamed of even 10 years ago. The major studios are requesting language for rights "in any and all media, whether now known or hereafter developed", without paying any additional fees to music publishers and suggesting that any publisher who does not grant these rights will not have their music used in these films.
Home Video

Licensing music for home video (traditionally including video cassette and video disc) is similar to the types of licensing described above.

For home video releases, there are three main types of payment structures.

Flat fee

Royalty basis

Roll-over or Limited buyout
Home Video
FLAT FEE

• Payment for all rights to include the composition in the video, regardless of the number of units sold. This is a calculated gamble by the producer as to the success of his project and the music publisher as to the limited appeal of the project. The advantage to the publishers is that they get a larger amount of money up front and do not have to worry about tracking future accountings by the producer. The advantage to the producer is the elimination of the cost of accounting to the publisher on a quarterly or semi-annual basis for the duration of the license term.
Home Video
ROYALTY BASIS

• A fixed rate, usually a number of cents per copy, is paid by the producer to the publisher for each unit sold during the license term, with regular accountings. It is common for the publishers to request an advance payment covering anywhere from 10,000 to 50,000 units, with the producer paying the royalty on each unit sold thereafter. Standard auditing provisions accompany this type of agreement.
The producer pays an advance on a certain number of units. When sales equal the agreed upon figure, another advance is paid for an equal number of additional units. For example, if a roll-over is paid on 10,000 units, when unit number 10,001 is sold, an advance is paid on the second 10,000 units, and so on. While a buyout is usually granted for duration of copyright, the royalty and roll-over are granted on a more limited period of time. Also, since this media is produced for home use, there is no public performance language necessary in the agreement.
Multi-Media

• Licensing for multi-media product is the newest type of sync licensing and, therefore, the area in which the fewest industry standards and practices have been established. Examples of multi-media licensing are karaoke, Compact Disc Interactive (CD-I), CD-ROM (read only memory), computer games and other platforms still being developed.
Fees:

Really all over the map….from a short back ground use…to full length performance in a major motion picture.

**Film**
$15,000 up to $250,000 if used in ad’s, main title or end title usage (not including out of context uses)
This will be less if an indie film. This is just a function of budget that when you are negotiating you need to understand

**TV**
$2,000 – $10,000 for basic TV (free, satellite, cable).
Additional fees for foreign and home video

**Commercials**
$75,000 – $500,000 adjusted downward for regional TV, local, etc

**Video Games**
$5,000 - $6000