

THE SONGLAB: MUSIC BUSINESS DEJARGONISED

WHAT ARE MASTER RIGHTS?



Understanding the copyright of song recordings

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- Master Rights, often referred to as a sound recording copyright, are the intellectual property of a recorded song. NOT the song itself but the recording of the song.
- Master Rights relate to the ownership of the recording.
- Master rights are typically owned by whoever financed the recording.
- In a professional context, this would usually be the record company.
- On a grass roots level the owner of the master rights is often more complicated. It could perhaps be the artist, a manager, a financier, a producer or another entity.
- New master rights are created every time a song is recorded or even re-recorded. It could for be instance that a song's copyright is assigned to a music publisher and the demo recording rights is owned by a band but the master rights of the finalised released version of that same song is owned by the record company because it was the record company that financed the recording.

WHO OWNS MY MASTERS?

- This can be a very difficult situation to try and unpack due to the wide number of variables in place so let's look at some different examples.
- A band records their song in a local recording studio and pays a fee for this service = The masters are now owned by the band.
- A band records their song with a producer who is working for free on a speculative basis = Technically the producer has a strong case for the ownership of the master rights although a standard fair practice here is a 50/50 split between the producer and the artists.
- A band self records their song using their own equipment and outsources the mixing to a mixing engineer = If the band pay a fee to the mix engineer then the band have a case for saying that they are the full master rights owners. However, if the mixing engineer is working on a speculative basis for free then he/she could request a percentage split of the masters.
- A singer and a producer collaborate together on a recording where they have both stated they will split the ownership of the songwriting and master rights down the middle. They record their song in a recording facility at an educational setting such as a college or university = Some educational settings state that they own 10% of master rights for any recording that take place on their premises.
- These are 4 examples but there are of course many other examples where it feels somewhat unclear as to who owns the master rights and if there is co-ownership what the splits should look like.
- In some cases, the term “points” is used when referring to part ownership of master rights. “Points” simply mean percentage points on ownership. For instance, it could be that a producer is hired for a fixed fee by a record company. The record company then acquire the master rights to the recording but the producer retains two points.
- In any and all scenarios, it is strong advised that the artist/s have an open and transparent discussion about master rights ownership prior to a recording taking place so that all parties know exactly where they stand on this topic.
- If you are ever in need of third party advice on this subject you can book an online advice clinic session with a SongLab director by emailing jonny@thesonglab.co.uk

THE BENEFITS OF OWNING MASTER RIGHTS

- Master rights are one of the most important forms of intellectual property in the global music industry.
- When advances are paid by record companies to recording artists, the artists relinquishes their rights to own their own recordings.
- If an independent artist owns their own masters they will be entitled to trade freely with whichever entities they wish to do business with.
- For instance, when licensing songs to video games creators, films, TV, online advertisements and a whole host of other forms of audio visual synchronisation, the rights holders receive the upfront fees for the use of the recording. (for more info on this please see the **THE SYNC BUSINESS** doc)
- There are also various other benefits from owning master rights and the audio streaming world is a good example of this as master rights relate to **80%** of the income of streams with the remaining **20%** going to the songwriters.
- Owning your own masters creates an enterprising sense of freedom that is enjoyed by many independent artists.

REGISTERING A RECORDING

- **UK residents can sign up to PPL (Phonographic Performance Limited) without any membership fee required.**
- **There are two types of membership that PPL cater for; Performers and Rights Holders. In some cases, this may even be the same entity.**
- **PPL license recorded music when its broadcasted on radio, television and online.**
- **Rights holder members can register their recordings with PPL.**
- **PPL will also allow a song's recording identity to be linked with PRS For Music via a tune code (see the UNDERSTANDING COPYRIGHT doc for more info on that).**
- **Rights holders can also create their own unique ISRC identity.**
- **An ISRC is an International Standard Recording Code. This is a 12 character long alphanumeric code that is assigned to a song's recording identity when it is set for commercial release. This code allows the rights holder to track activity on the use of the song's recording.**
- **A rights holder could be an independent artist or a record company.**

HOW LONG DOES A SOUND COPYRIGHT LAST?

- A song's recording copyright (master rights) lasts for 50 years after the release of the recording.
- After this time period has lapsed, the song's recording copyright expires. Ever wondered why record companies re-release recordings with remastered versions and alternative versions? This is why.
- It could perhaps be suggested that this may change in the future so it is always recommend to stay on top of the latest developments.

SUMMARY

- **Master Rights are a hugely valuable source of income in the global music industry.**
- **It may be that an artist is comfortable in relinquishing these rights in exchange for the cash boost that an advance can offer from a record company. Perhaps a record company is not offering an advance but a splits deal on masters? Or perhaps the recording artist wishes to remain flexible and empowered by their own freedom to do business their own way and retain the ownership of their master rights.**