

Did Copyright Fail Music Artists?

Rachel Landy

“Fraction of a penny”

Musicians Say Streaming
Playing for pennies: How
streaming royalties leave
independent artists struggling

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**Demands Radical
Changes**

The Inequalities of Digital Music
Streaming

NEWS › MUSIC NEWS

**Paul McCartney, Kate Bush, Stevie Nicks and more sign
letter calling on Boris Johnson to fix streaming economy**

Incentives?

Music

"Artists are about to go on strike": YouTube's Lyor Cohen on his plans to save the music industry

Congresswoman Rashida Tlaib. "It's only right that the people who create the music we love get their fair share, so that they can thrive, not just survive."



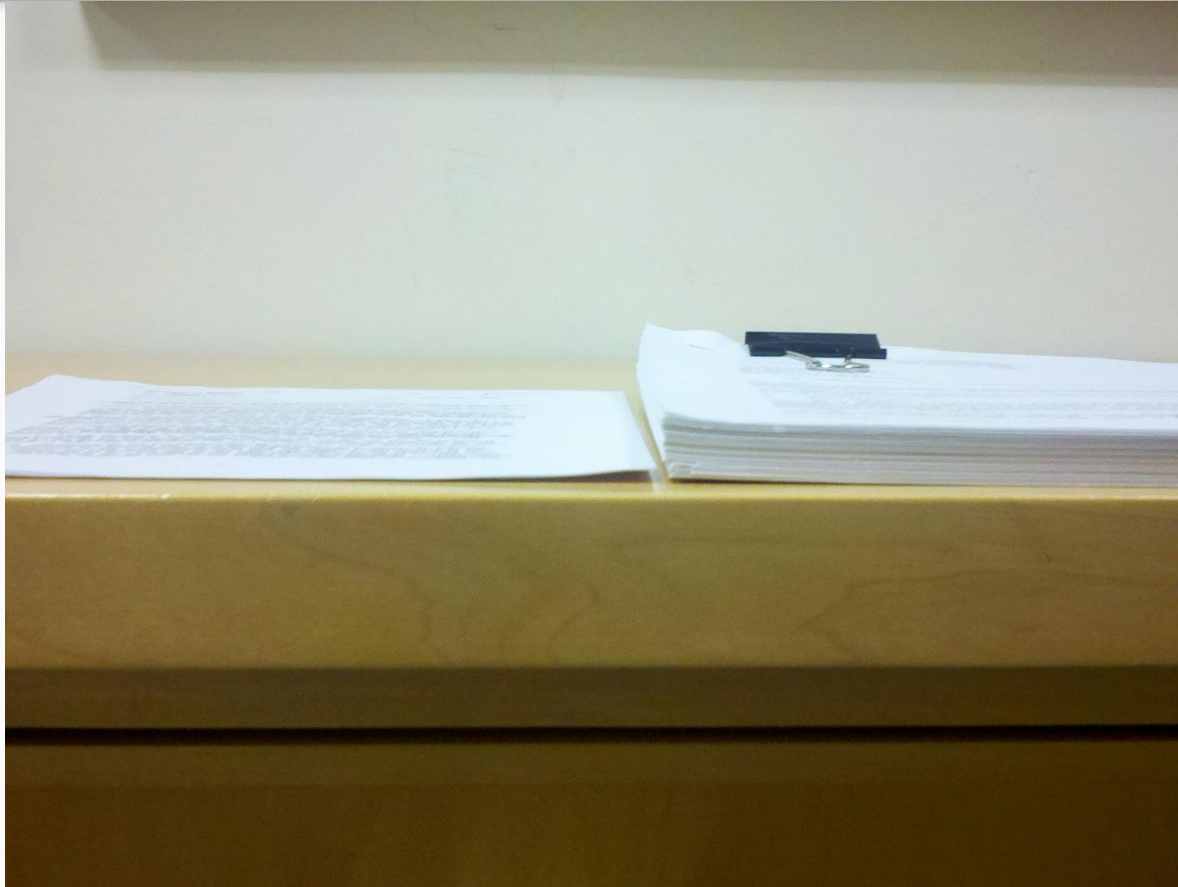
Rosanne Cash ✓

September 28, 2014 · 🌐

'Download' and 'stream' are different animals. If you download and pay, it's the same as buying a record. If you stream, it's just dressed- up piracy.

Bring on the haters- I don't care. I'm IN this business and I see young musicians give up their missions and dreams all the time because they can't make a living. Someone has to speak up for them.

The contracts



Record deals (key points)

- Recordings are deemed **works made for hire**
- **Royalties recouped** against an advance, and lots of other stuff^{ff}

44. Further, on the royalty statements that UMG did provide, they show an “unrecouped” balance until Q4 2018 on Limp Bizkit’s LP 1-3. It is highly suspect that UMG could claim unrecouped balances on all of these three albums until the end of 2018, and then proceed to pay Limp Bizkit paltry sums that are suspected to be only a fraction of what is truly owed, given that these albums had each sold millions of records over the past decades and are the band’s best-selling albums with a number of hit singles. Not only that, Defendants’ royalty statements failed to comport with Limp Bizkit’s massive explosion in popularity over the past five or so years, during which the band’s original recordings have generated millions in revenues, and should be generating the same in royalties to the band.

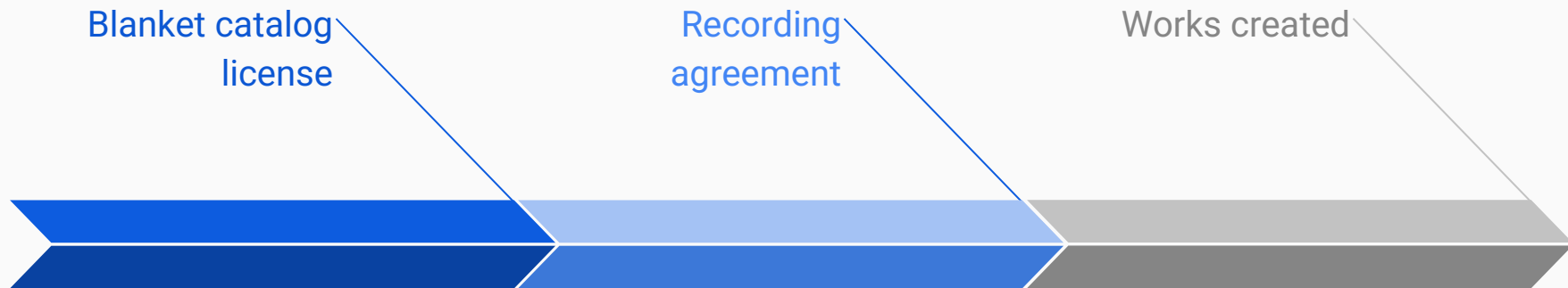
Major label streaming licenses (key points)

- **Minimum guarantee:** service pays \$X00,000,000 up-front
- **Revenue share:** recouped against minimum guarantee
 - Labels keep the difference ("**breakage**")
- **Equity grants**

Major label streaming licenses (key points)

- Set share of **key playlist slots**
- Favorable treatment for **data and marketing**
- **Free advertising slots**

How the money moves



Streaming services
Spotify finally turned a profit for a full year (Feb. 2025)

Labels

UMG CEO Lucian Grainge's \$128M 2023 Pay Package Approved by Shareholders

Artists

Nadine Shah: 'I can't pay the rent on unfair music streaming revenues'

Solutions

- Fix copyright law?
 - Reform work made for hire
 - Reform public performance right for sound recordings
- Use copyright law to intervene in contracts?
 - Minimum per-stream
 - **Leverage SoundExchange**
- Use contracts and labor law to intervene in contracts?
 - **Collective bargaining**
 - Self-regulation

- **Leverage SoundExchange**
 - Send all payments through SX, which can split between artists and labels (as it does now)
- **Collective bargaining**
 - AI
 - Minimum royalty terms
 - Equity shares
 - Breakage distribution
 - Litigation settlements
 - Etc. etc.

Questions?