



— THE —
DIY MUSICIAN'S
STARTER GUIDE
— TO —
BEING YOUR OWN
LABEL & PUBLISHER
— BY DAE BOGAN —



TuneRegistry

CreativeFuture

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Introduction

A **DIY musician** is a musician who takes a “Do-It-Yourself” approach to building a music career. That is, a DIY musician must literally do everything themselves. A DIY musician might have a small network of friends, family, collaborators, and acquaintances that assists them with tasks from time to time. However, virtually all decisions, all failures, and all successes are a result of the DIY musician’s capabilities and efforts.

Being a DIY musician can be overwhelming. A DIY musician has a lot on their plate including: writing, recording, promoting, releasing, and monetizing new music; planning, marketing, and producing tours; reaching, building, and engaging a fan base; managing social media; securing publicity; and so much more. A DIY musician may hire a manager and/or attorney to assist them with their career, but they are not signed to or backed by a record label or a music publishing company.

Just three decades ago it was virtually impossible for the average DIY musician to get their music widely distributed without the help of a record company. While some DIY musicians were successful in releasing music locally and developing local fan bases, widespread distribution and reach was hard to achieve.

But a lot has changed over the last 30 years!

Today, DIY musicians have access to more opportunities, resources, and information than ever before. Today, DIY musicians can establish themselves and build respectable music careers without giving up complete control of their creative process and copyrights. In fact, in recent years, DIY musicians have earned recognition and accolades as a result of their accomplishments in the music industry.

Thanks to technological innovations across every sector of the music industry, it has never been easier for a DIY musician to put out new music, perform in front of interested music lovers, reach out and interact with fans, and tap into new income streams.

But with change comes challenge.

The lowering of the gates to the music industry has resulted in a flood of up-and-coming musicians fighting to cut through the noise and plant themselves on the field of industry success. Competition is at an all-time high. DIY musicians compete directly with major recording artists for a share of the streaming market and attention across social media platforms. Competition – and technology – has fundamentally changed the way in which some creatives create.

In addition to being a better -- and/or more strategic -- creative, the DIY musician must be well-informed and well-prepared to be their own advocate. They must understand the roles that they must perform, and why, to ensure that their catalog of music is properly represented and monetized. They must

understand their rights, how those rights are exploited, and how to administer these rights in the absence of a label or publisher.

Today's DIY musician must understand that **from the perspective of the greater music industry, they are their own label and publisher.**

The DIY Musician's Starter Guide to Being Your Own Label and Publisher was written to (1) help DIY musicians become better advocates for themselves by demystifying some of the confusing concepts behind how the digital music industry operates, (2) to address and offer solutions to many of the challenges that DIY musicians face in their careers, and (3) to educate DIY musicians on the processes with which they must become familiar to increase the possibility of being properly compensated for the use of their music across the digital music ecosystem.



This guide was written by Dae Bogan. Dae is the Co-Founder and CEO of TuneRegistry, a music and rights metadata management platform developed for the independent music community. Dae is also a SXSW Music Mentor and an educator who teaches music business and entrepreneurship at the University of California, Los Angeles (UCLA), California State University, Northridge (CSUN), and SAE Institute Los Angeles. Dae holds a B.A. in Sociology from UCLA and an M.A. in Music Industry Administration from CSUN.

In this guide, you will learn about the basics of music copyrights and the business implications of the difference between compositions and sound recordings. You will learn what it means to be your own label and publisher and the four different hats you wear in the world of music royalties. You will also gain practical knowledge and steps for asserting your rights and capturing the royalties that your music earns across the digital music industry.

A Message From Dae:

It has been a pleasure writing this guide. I have worn many hats in the music industry over the years, including artist manager, indie label owner, music publisher, and the head of the music division of a retail chain. Now, as a music tech entrepreneur and music business educator, it is my goal to bring my experiences and knowledge together to create useful tools for DIY musicians. Feel free to message me about the contents of this ebook at any time via Twitter @daeboganmusic.

Music Copyright Basics

DIY musicians should have at least a basic understanding of the underlying principles that shape how music is exploited and monetized in the music industry. These principles are fundamentally derived from **copyright law** and then advanced by industry practices.

Copyright is a form of legal protection provided by the laws of the United States to the creators of intellectual property. We currently operate under the **Copyright Act of 1976** and its subsequent amendments. The law entitles the owner of a copyright **six exclusive rights**, summarized as follows:

1. **Right of Reproduction.** The right to make reproductions or copies of the work (e.g., duplicating an MP3, printing sheet music, creating a cover song).
2. **Right of Distribution.** The right to make the work available to the public by sale, rental, lease, or lending (e.g., physical distribution, uploading to the internet or digital services).
3. **Right of Public Performance.** The right to perform publicly (e.g., performing live or broadcasting a performance to the public via television, radio, internet, satellite, or cable).
4. **Right of Public Display.** The right to display publicly (e.g. television or radio broadcast).
5. **Right of Derivative Works.** The right to prepare a new work derived from or based on the original work (e.g., remixes, new arrangements, adaptations).
6. **Right of Digital Performance in Sound Recordings.** The specific right to perform *sound recordings* via non-interactive digital transmissions – internet, satellite, or cable -- is derived from the Digital Performance in Sound Recording Act of 1995.

These exclusive rights shape how the music industry exploits music. Therefore, it is important to understand where these rights come into play as you navigate the industry as a DIY musician.

Important Copyright Facts:

- Copyright is secured **automatically** when a work is created and **fixed in a tangible form**, such as the first time it is written or recorded.
- Copyright protection is available to both **published** and **unpublished** works.
- Generally, **copyright** protection lasts from the moment of creation until **70 years after the death of the author**.
- Although it is not required to secure copyright protection, **copyright registration** is a legal formality intended to make a public record of the basic facts of a particular copyright. The benefits of registering your copyright include: a public record of the copyrighted work; the ability to file a copyright infringement claim in court; prima facie evidence in court of the validity of the copyright and of the facts stated in the certificate; statutory damages and attorney fees for copyright infringement; and registration with the U.S. Customs Service.

Compositions vs. Sound Recordings

The music industry is a network of interdependent sectors and stakeholders that exist for the purpose of bringing music to the public and monetizing music experiences. More specifically, it is an industry built around the exploitation of **compositions** and **sound recordings**.

Many DIY musicians who write and record their own music may find it difficult to wrap their heads around the business implications related to the difference between a composition and the sound recording in which the composition is *embodied*. A **singer-songwriter** who composes a melody, writes the lyrics, performs the song, and hires an engineer to help record and *bounce* (an audio production term referring to moving a mixed down multi-track audio session to the next phase for mastering a final master sound recording) a final sound recording may only operate from the high-level perspective of “making music.” They may simply view the resulting output as *new music*. But it is much more than that.

Music is a **set of assets**. Copyright is attached to compositions and sound recordings that are then exploited through an innumerable array of products, services, and experiences. To maximize their business interests in *new music*, it is imperative that a DIY musician understands how to derive as much value as possible from the *assets* that they have created. They must understand that the copyright in the composition is separate from the copyright in the sound recording and that this notion manifests in a number of ways in the music business.

Two Assets and Two Copyrights

In every sound recording there exists at least two distinct copyrights. The copyright in a composition is indicated in print by the symbol “**C**” in a circle (©). The copyright in a sound recording is identified by a similar symbol, but with a “**P**” in the circle (®). The significance of the separation of these two assets cannot be overstated. The difference is best exemplified when you consider the relationships between a **songwriter**, a **publisher**, an **artist**, and a **label**:

Scenario A: Valerie is a singer-songwriter who makes acoustic folk music. She is not signed to a record label or publisher. She is completely DIY. Valerie writes and records a new song called “Ginger House” and releases it independently.

Valerie owns *both* the copyright in the composition and the copyright in the sound recording.

Scenario B: Duane is a rapper signed to a record label called Rise High Records. Duane creates his own music but does not have a publishing deal. Duane writes and records a new song called “Live It Up” at Rise High Records.

Duane owns the copyright in the composition, but Rise High Records owns the copyright in the sound recording because Duane entered into an exclusive recording contract.

Scenario C: Jonathan is a country singer-songwriter signed to a record label called American Records. He is also signed as a songwriter to a publishing company called Hiram Music. Jonathan writes and records a new song called “Victory Is Ours” at American Records.

Jonathan assigned the copyrights in all of his compositions when he entered into a publishing deal with Hiram Music, so Hiram Music owns the copyright in the composition. American Records owns the copyright in the sound recording because Jonathan entered into an exclusive recording contract.

Scenario D: Christina is a pop singer signed to a record label called Loft24 Records. Kevin is a songwriter signed to a publishing company called Maxpose Songs. Kevin writes a pop song called “Truly Inspired” and his publisher Maxpose Songs pitches the song to the A&R manager at Loft24 Records. The A&R manager at Loft24 Records likes the song and shares it with Christina who agrees to perform and record the song at Loft24 Records.

Kevin assigned the copyrights in all of his compositions when he entered into a publishing deal with Maxpose Songs, so Maxpose Songs owns the copyright in the composition. Although Christina is the singer, she does not own the music that she performs. Loft24 Records owns the copyright in the sound recording.

In each of the above scenarios, you can see how the difference between the composition and the sound recording becomes clearer as more stakeholders enter the mix.

Limited Rights in Sound Recordings

You’ve learned in the *Music Copyright Basics* section that copyright law provides six exclusive rights to copyright owners. However, the first five rights – *reproduction, derivative works, distribution, public performance, and public display* – were established before sound recordings became prevalent. Sound recordings were not brought into the scope of Federal copyright protection until 1972. However, sound recordings did not receive the same *public performance or public display* protections that compositions received. In fact, sound recordings were performed publicly without a license for over two decades after sound recordings were recognized by the Federal Copyright Act. This changed slightly in 1995.

In 1995, Congress passed the **Digital Performance Right in Sound Recordings Act of 1995 (DPRA)**, which created a new limited performance right for sound recordings. The protection was limited to performances via **digital transmissions** – internet, satellite, and cable – so it is not as expansive as the public performance right in the composition. This means that when music is broadcast over terrestrial AM/FM radio, there is no protection for the sound recording but there is protection for the composition. However, when music is performed over internet radio, both the composition and sound recording are protected.

Being Your Own Label

Being signed to an artist-focused record label that believes in your music, supports your career, and treats you with respect may be the dream of many DIY musicians, but the reality is most DIY musicians may never be signed to a record label. And due to the many resources now available to DIY musicians, many do not want to be signed to a record label at all. Whether you remain unsigned for just a few years or the rest of your career, you could benefit from understanding what a record label does. As a **self-releasing DIY musician**, you are your own record label and are responsible for performing the tasks necessary to maximize the potential of your sound recordings.

Basic Functions of a Record Label

- **A&R (Artist and Repertoire)** – Creative advocacy and strategy behind the selection, development, and guidance of music projects and contributors
- **Record Masters** – Arrange for and finance the recording of master sound recordings in which the label ultimately owns the copyright
- **Distribution** – Plan and execute the distribution of music products containing the sound recordings (physical, downloads, streaming)
- **Promotion & PR** – Secure opportunities for artists to promote releases via radio and television; press placements such as interviews, features, and reviews; and public appearances
- **Marketing** – Develop and execute marketing strategies to reach music consumers and drive awareness and demand for the upcoming release
- **Business & Legal Affairs** – Deal-making and licensing between the label and third-party entities seeking to license music for use in all ways music is used

There are a vast number of companies that provide tools or help DIY musicians with performing all of the functions of a record label – including online audio production and mastering services, music distributors and aggregators, marketing firms, public relations consultants, and a growing number of startups that offer services for pitching music to bloggers, influencers, and playlist curators. There are also companies that specialize in social media management and advertising to help you grow and engage your fan base by converting followers into fans and buyers of your music.

In addition to recording and promoting new music, **self-releasing DIY musicians** must understand the ways in which sound recordings are monetized. Obviously, sound recordings earn income when music is sold in physical and digital retailers and when the sound recording is streamed on interactive (e.g., Spotify, Apple Music, or Amazon Music) and non-interactive (e.g., Pandora or Slacker Radio) services. However, sound recordings also earn income from a variety of licensing activities that require a **master use license**, including placing sound recordings in film and television, using sound recordings in promotional compilation CDs, and the use of sound recordings in a variety of new media apps and products.

Being Your Own Publisher

If you have not entered into a contract with a publisher and you are not composing under a work-made-for-hire agreement, then the moment you create a copyrightable composition you are the **publisher**. As a **self-publishing DIY musician**, it is important to understand what a music publisher does and determine how you will perform those tasks. The essential purpose of a music publisher is to administer, exploit, and protect its copyrighted works.

Basic Functions of a Music Publisher

- Administration entails
 - the filing of a notice of copyright with the U.S. Copyright Office,
 - the issuing of licenses,
 - collecting of royalties, and
 - paying writers their share of the proceeds.
- Exploitation involves
 - getting artists to record your songs, and
 - getting your songs used in films, television, radio, and television commercials, etc.
- Publishers also police the use of copyrighted works and take action to prevent or stop infringement.

Publishers must understand how music is monetized in order to effectively collect royalties. Some of the licenses that publishers issue include **mechanical licenses**, **public performance licenses**, **synchronization licenses**, and **print licenses**. Publishers also collect **foreign publishing income** through direct affiliation with music rights organizations in foreign territories or through partnering with sub-publishers who administer on behalf of the original publisher in the sub-publisher's own territory.

As a **self-publishing DIY musician**, it behooves you to learn about the various ways in which licenses are issued and how their associated royalties are collected and distributed. Then, you can decide to self-publish with or without the assistance of a third-party. If you choose to work with a third-party, there are generally two options: a **publishing administrator** or a **co-publisher**. The difference between a publishing administrator and a co-publisher is the amount of copyright ownership each takes and the scope of services that each provides.

A **publishing administrator** takes no copyright ownership. They will generally only register your music with music rights organizations and pay you the royalties that they collect on your behalf, less a 10% to 20% commission for their services. A **co-publisher** will take a 50% ownership stake in your copyrights and pay you 50% of the publishing income. However, co-publishers will perform *all* of the functions of a music publisher as described above. Co-publishers are also much more difficult to partner with as they are very selective on who they sign.

Wearing Multiple Hats: Being Four Income Participants

Now that you have a basic understanding of music copyright, how compositions and sound recordings differ, and the basic functions of a record label and a music publisher, understanding how all of this comes together in the world of DIY should become easier to grasp.

As a DIY musician you wear multiple hats, especially as an **income participant** in the music that you create. An **income participant** is a person or entity entitled, through contribution, contract, or statute, to receive a share of certain income streams (or royalty streams) that music earns. Distinguishing the nuanced differences between each of the four basic **income participants** will enable you to be better prepared to capture more income from your music.

Four Basic Income Participants in Music

1. **Songwriter**
2. **Publisher**
3. **Artist**
4. **Label**

Scenario D in the *Composition vs. Sound Recording* section best exemplifies the four income participants: **Kevin** (songwriter), **Maxpose Songs** (publisher), **Christina** (artist), and **Loft24 Records** (label). The relationships between the income participants are clearly reflected in the ways in which music is licensed and how royalties are allocated and distributed.

Songwriters and **Publishers** participate in a set of royalty streams that are distinctly different from the set of royalty streams in which **Artists** and **Labels** participate:

Royalty Streams for Songwriters & Publishers (Composition Income)

- **Physical & Download Mechanical Royalties.** Physical and download mechanical royalties stem from the issuance of a **mechanical license**, which grants to the licensee the **right to reproduce** and **right to distribute a composition** in a phonorecord. A **phonorecord** is the physical media in which the sound recording is stored (e.g. CD, vinyl, cassette). In the US, anyone can secure a **compulsory mechanical license** as long as they follow the guidelines as stipulated by Section 115 of the US Copyright Act.

The current **statutory royalty rate** for mechanical licenses is **9.1 cents** per composition or **1.75 cents per minute** or fraction thereof for a composition longer than 5 minutes. So, if someone wants a mechanical license to make and distribute **1,000 copies** of your 4-minute composition, they must pay **\$91** ($1,000 \times 9.1 = \91). This rate applies to physical goods and permanent digital downloads. The statutory royalty rate for a ringtone is **24 cents**. Unlike most western countries,

the United States does not have an official mechanical licensing and royalty collections body of the government. Instead, individuals and entities seeking to secure a mechanical license must contact the copyright owner and license from them directly or utilize one of several mechanical licensing agents that represent publishers and/or licensees.

One of these organizations is the **Harry Fox Agency (HFA)**. HFA is the leading provider of rights management, licensing, and royalty services for the U.S. music industry. HFA was established in 1927 by the National Music Publishers' Association as an agency to license, collect, and distribute royalties on behalf of musical copyright owners. HFA's **Rumblefish** is a rights administrator representing numerous digital music services that need, among other things, mechanical licenses for the use of compositions on their respective platforms. HFA and Rumblefish work in concert to license the compositions of HFA's affiliated publishers to these digital services (and many other types of companies seeking mechanical licenses, including digital service providers, streaming companies, labels, gamers, AV/VR, video, mobile apps, jukebox companies, background music, lyrics, tablature, karaoke, and more.).

Music Reports Inc. (MRI) is another widely used rights administrator on behalf of similar companies and broadcasters to secure and administer a number of licenses, including mechanical licenses. Physical and download mechanical royalties are paid to the **Publisher** who then pays the **Songwriter** a share based on their agreement.

- **Interactive Mechanical Royalties.** Interactive mechanical royalties stem from the issuance of a **mechanical license to interactive streaming music services** that enable end users to select and play specific tracks (e.g., Spotify, Google Play Music, Apple Music, Amazon Music, Tidal, or Napster). The license is for the **composition** embodied in the **phonorecord** (e.g. MP3). Unlike physical and download mechanical royalties, **interactive mechanical royalties** are not a fixed amount per use.

Instead, interactive mechanical royalties are calculated from a formula that takes into account the service's monthly revenue, number of subscribers, and number of streams. Therefore, the **per stream** rate of **interactive mechanical royalties** differs between services and fluctuates from month to month within services. Both **HFA** and **MRI** issue and administer interactive mechanical licenses and pay out interactive mechanical royalties. Interactive mechanical royalties are paid to the **Publisher** who then pays the **Songwriter** a share based on their agreement.

- **Public Performance Royalties (Compositions).** Public performance royalties stem from the issuance of a **public performance license**, which grants to the licensee the **right to publicly perform (or publicly display, in the case of audio transmissions and broadcasts)** a composition. With few exceptions, virtually all uses of your composition earns public performance royalties. When your composition is performed live in a music venue, as background music at a retail store, at bars or restaurants, on websites or digital music applications, broadcast over the radio

or television, or transmitted through the internet, cable, or satellite services, all of these uses require a public performance license.

In the United States, ASCAP, BMI, SESAC, and Global Music Rights are the performance rights organizations (PROs) that issue public performance licenses. Licensees pay fees that are then paid out to songwriters and publishers as **public performance royalties**. Public performance royalty rates vary depending on the type of licensee. Public performance royalties are paid out as follows: 50% *directly* to the **Songwriter** and 50% *directly* to the **Publisher**.

- **Synchronization Fees.** Licensing music for use in movies, television shows, commercials, and many other type of audio-visual works, requires a **synchronization license** (also referred to as “sync license”) for the right to synchronize a composition to a motion graphic embedded in an audio-visual medium such as a film, tape, or video file. Like mechanical licensing, the United States does not have an official sync licensing and royalty collections body of the government.

Instead, producers seeking a sync license must contact the copyright owner and license from them directly or utilize one of several sync licensing agents that represent publishers and/or producers. Generally, there is a one-time upfront **sync fee** paid for the placement of the composition in the audio-visual work. In some cases, especially in the movie industry, sync fees can be paid over a period of time and grow based on box office sales or distribution. Sync fees vary greatly depending on the popularity of the music, the type of use within the audio-visual media, the producer licensing the use, and the type and breadth of distribution of the audio-visual work. Sync fees are paid to the **Publisher** who then pays the **Songwriter** a share based on their agreement.

- **Print & Display Fees.** The text of compositions is used in many types of media that requires some form of a print or display license. A **print license** gives a user permission to print or copy lyrics and/or music for a composition in a **printed project**. This includes, but is not limited to: song sheets, a songbook, sheet music (e.g., choral arrangement, orchestration), a book using or referencing song lyrics, and song lyrics licensed to be printed on various forms of merchandise (e.g., T-shirts, mugs, or canvas bags).

A license is also required to **display** the lyrics of a song on an internet web page or in a streaming music mobile app. Print and display licenses must be entered into directly between the producer of the material and the publisher of the composition, or their respective agents. There are no statutory royalty rates for print and display licenses, so the fees and payment terms are negotiated for each deal. Print and display fees are paid to the **Publisher** who then pays the **Songwriter** a share based on their agreement.

- **International Royalties.** Compositions used in other countries require many of the same types of licenses as they do in the United States. Every country has its own music rights organizations and royalty collection societies administering mechanical and public performance licenses.

However, collecting these royalties can be difficult without a sub-publisher or administrator that will collect **international royalties**. Sub-publishers and administrators will collect international royalties and pay the original publisher, less a commission. The **Publisher** then pays the **Songwriter** a share based on their agreement.

Royalty Streams for Artists & Labels (Sound Recording Income)

- **Master Use Fees.** Generally speaking, most uses of sound recordings that require permission are granted through the issuance of a **master use license**. Master use licenses grant one or more rights to a licensee (i.e. right to reproduce a sound recording, right to distribute a sound recording, and right to create a derivative work based on the original sound recording) in exchange for a one-time **master use fee** and/or ongoing **master use royalties**. A master use license often accompanies licenses for compositions since compositions are embodied in sound recordings.

For example, an interactive music service must secure a master use license for the *sound recordings* that users select and play on its platform and a public performance license for the public performance of the *composition* embodied in the sound recording. A film producer must secure a master use license to use a *sound recording* in a scene and a synchronization license for the *composition* embodied in the sound recording. Master use licenses are negotiated directly between the licensee and the record label. **Master use income** is paid to the **Record Label** who then pays the **Artist** a share based on their agreement.

- **Digital Radio Royalties.** In the United States, there is no *public performance* right for sound recordings. Therefore, broadcasters such as terrestrial AM/FM radio and television networks are not required to secure a master use license or pay master use royalties for the broadcast of sound recordings over their stations/channels. However, as you've learned in the *Composition vs. Sound Recording* section above, the **Digital Performance Right in Sound Recordings Act of 1995 (DPRA)** created a new limited performance right for sound recordings.

Although there is no *public performance* right for sound recordings in the United States, DRPA does provide a **right to the digital performance in sound recordings**, which requires proper licensing for the use of sound recordings in digital transmissions including internet (i.e., Pandora), cable (i.e., Music Choice), and satellite (i.e., SiriusXM Radio). **SoundExchange** is the only entity authorized by Congress to administer the statutory licenses described in sections 112 and 114 of the Copyright Act. SoundExchange issues licenses and collects license fees from eligible service providers.

Eligible service providers must, among other requirements, provide **non-interactive** performances of sound recordings, which means that the listener cannot *choose* to listen to a specific sound recording (a radio-like experience). There are different statutory rates based on the type of service provider, but the current rate for a commercial webcaster is **\$0.0017 per**

performance for non-subscription transmissions and \$0.0022 per performance for subscription transmissions. SoundExchange pays out **digital radio royalties** as follows: 45% *directly* to the **Artist**, 50% *directly* to the **Record Label**, and 5% to a special fund for background vocalists and session musicians managed by the **AFM & SAG-AFTRA Intellectual Property Rights Distribution Fund**.

- **Private Copy & Record Rentals Royalties.** The **Alliance for Artists and Recording Companies (AARC)** collects and distributes home-taping/private copy royalties and rental royalties as established by the **Audio Home Recording Act of 1992 (AHRA)** and foreign home-taping/private copy and rental royalties received through reciprocal agreements with music rights organizations around the world. AARC provides a music royalty, generated by the sales of devices and media such as blank CDs, personal audio devices, automobile systems, media centers, and satellite radio devices that have music recording capabilities. The royalties earned are based on a complex formula that takes into account music sales as reported by **Nielsen SoundScan**. Private copy and record rental royalties are paid directly to **Artists** and **Record Labels** separately.
- **Neighboring Rights Royalties.** Although we do not recognize a broad *public performance right* in sound recordings in the United States, most developed nations *do* recognize this right. The public performance right in sound recordings is called the **neighboring right**, because the right *neighbors* the public performance right in compositions. Sound recordings performed in public (e.g., radio or television broadcasters, bars and nightclubs, restaurants, retail stores, live music venues, etc.) earn **neighboring rights royalties** in countries that recognize this right. However, those royalties do not flow back to the US because we do not recognize neighboring rights. Additionally, we do not send **neighboring rights royalties** back to the countries who do recognize the right when their artists' music is publicly performed in the US. Therefore, a **label** must engage a neighboring rights administrator that can collect the **neighboring rights royalties** in international territories in certain circumstances and pay the label, less a commission. The **Label** then pays the **Artist** a share based on their agreement.

As a DIY musician, you wear multiple hats – **Songwriter, Publisher, Artist, and Label** – until you have assigned those responsibilities to a third-party. Until that time, you must be aware of the different **income participations** these roles are entitled to based on the different **royalty pools** considered, and how to assert your rights and claim *all* of your royalties.

Asserting Your Rights and Collecting Your Royalties

Congratulations for making it this far! We've covered a lot of material in the previous sections and by now your head may be spinning. Learning about copyrights, income participants, and royalty streams is great. Learning about all of that *and* how to assert your rights and collect your royalties is even better. So, let's get to it.

Four Steps Toward Asserting Your Rights and Collecting Your Royalties

Step 1: Change your mindset about the music business.

It is easy to get lost in the creative process or bogged down by the many things that you must do as a DIY musician. And it can be difficult to achieve everything that you would like to achieve without the necessary financial or human resources to support your career. Nevertheless, you must be aware of the fact that your music generates royalties in many ways once it has been released and that it is your duty to assert your rights and collect those royalties.

Step 2: Prepare yourself to assert your rights.

Now that you've decided to take the business aspect of your music career seriously, you must decide how you're going to assert your rights. Because you wear multiple hats as the **songwriter, publisher, artist, and label**, you must think about how you are going to organize and manage the rights associated with your assets; that is **compositions** and **sound recordings**.

One strategy for organizing and managing your rights is to group the roles into two buckets: **creators** and **companies**. This is the way the greater music industry thinks about the stakeholders in music; and it is reflected throughout the music-licensing framework in the US. **Creators** – *songwriters* and *artists* – create the music and **companies** – *publishers* and *labels* – hold the **rights** in these creations. A creator who was signed to a publisher and label would have little to do in regards to asserting his rights and collecting royalties, because the companies representing him make rights administration a part of their responsibilities. But as a DIY musician, you must be both the **creator** and **company**.

Being the **creator** is easy. You may have a stage name, but that does not change the fact that your legal name and tax information is generally required for being an income participant as a *songwriter* or an *artist*. So, being the creator is easy... it's you.

Being the **company** requires a bit of work. While it is true that you can release music as an individual, the music industry has always operated through a lens whereby a company owns the rights in compositions and sound recordings. For this reason, you may want to form a legal business entity, which will act as both your *label* and *publisher* for the purpose of asserting your rights. As a business entity, you will wear one hat as a "music company".

- **Form a Business Entity.** Choose a legal entity structure (DBA, LLC, or Corporation) and form the entity within the scope and procedures of your state laws. A single-member **Limited Liability Company (LLC)** is relatively easy to form in most states and it provides several benefits including no federal taxation of the business entity and a layer of personal protection against business liabilities such as lawsuits. Consult with a legal and/or financial professional to make a decision that is best for you.
- **Apply for an Employer Identification Number (EIN).** Once you've been notified by your state that your business formation has been processed, you can visit the IRS website to apply for an **Employer Identification Number (EIN)** online. An EIN will act as your business's tax identification number (similar to your social security number as an individual). The IRS EIN website link is: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
- **Open a Business Bank Account.** Although you can have all of your music career income deposited to your personal bank account, you may want to keep your business income separate from your personal income (this helps with maintaining the benefits of an LLC). Consult with a legal and/or financial professional to make a decision that is best for you. Visit your bank of choice and open up a business checking account. You will need your certified business formation paperwork, EIN, and personal identification.

Once you've created your music company and established a bank account, you are now well on your way to asserting your rights and collecting your royalties.

Step 3: Join the organizations that administer licenses and distribute royalties.

As you've learned throughout this guide, many different organizations issue and administer licenses granting various rights to your compositions and sound recordings to an array of users; *that is, once your music has been released*. Some of these organizations require direct permission from you, while some operate under statutory provisions that do not require your explicit permission. For these reasons, it is imperative that you properly assert your rights to your compositions and sound recordings by joining and creating accounts with each of them.

You will need to sign-up as a **Company (publisher or label)** and in some cases as a **Creator (songwriter or artist)** as well.

Music Rights Organizations & Administrators to Join

- **Composition Related Organizations (Songwriter & Publisher)**

- **Mechanical Royalties.** The **Harry Fox Agency (HFA)** is a membership-based organization that represents the US mechanical rights of its affiliated publishers. However, non-affiliated publishers can (and should) create an account with **HFA** in order to properly secure **physical, download, and interactive mechanical licenses** (and participate in other license types made available through its Rumblefish rights administration company).

In addition, **Music Reports Inc. (MRI)** and **Loudr** represent digital service providers by handling the administration of licenses and filing of statutory notices. These rights administrators collectively handle the mechanical licensing activities for all of the top digital music platforms in the US, including Spotify, Apple Music, Google Play Music, Amazon Music, Tidal, Napster, Deezer, Groove Music, and many more. Mechanical royalties are paid to the **publisher**, so your **music company** should create an online account with HFA as a **publisher** at www.harryfoxagency.com, create an online account with MRI as a **publisher** at www.musicreports.com, and join Loudr as a **publisher** at <https://loudr.fm/publishers/noi>. You must create an account with each company in order to assert your rights with as many digital service providers as possible.

- **Public Performance Royalties.** The performance rights organizations **ASCAP** and **BMI** are non-profit organizations that represent over 1 million songwriters and publishers collectively. **SESAC** and **Global Music Right (GMR)** are highly selective invite-only organizations. Therefore, you should choose between ASCAP and BMI. Because PROs pay out 50% of public performance royalties *directly* to the **songwriter** and 50% *directly* to the **publisher**, you should join as a **songwriter** and your **music company** should join as a **publisher**.

ASCAP has a \$50 per application fee to join, so you'll pay \$100 total to join ASCAP. BMI has no application fee to join as a songwriter, but does have a \$150 application fee to join as an individually-owned publisher, so you'll pay \$150 total to join BMI. Visit www.ascap.com and www.bmi.com to learn more about each PRO and join one of them.

(Tip: PROs require your company name to be unique. Therefore, it may be a good idea to submit your potential company name to ASCAP or BMI *before* forming the business. If you form a business by the name of Loft24 Publishing and you go to join ASCAP or BMI and a Loft24 Publishing already exists in their system, you'll have to come up with a new name.)

- **YouTube Royalties.** YouTube enables anyone to upload videos that could contain your compositions. For example, a cover song video or a prank video with your music playing in the background. Because YouTube is a video platform it must secure **sync rights** and **public performance rights** for the use of your composition on the platform. Unfortunately, songwriters with a low following cannot directly license with YouTube. However, there are royalty collection agencies with YouTube direct licenses that can collect your YouTube **sync royalties** (and by doing so, they also *trigger* the flow of **public performance royalties** from YouTube to your PRO). **Audiam** is an example of a royalty collection agency that collects YouTube royalties for publishers, but there are several available.
- **International Royalties.** Your compositions earn royalties all over the world. For example, if your music is played on BBC Radio 1 in the UK, BBC Radio 1 pays public performance royalties to **PRS for Music** (UK’s version of ASCAP/BMI/SESAC), or if your music is streamed on Spotify in Canada, Spotify pays public performance royalties to **SOCAN** (Canada’s version of ASCAP/BMI/SESAC), or if your music is downloaded from iTunes in Germany, iTunes pays mechanical royalties to **GEMA**.

To collect **international royalties**, publishers partner with **sub-publishers** that are established in the territory where the royalties are generated or they hire a local **publishing administrator** or **royalty collection agency** who can collect **international royalties** from around the world for a commission. **Kobalt** and **Songtrust** are examples of publishing administrators that collect international royalties for publishers, but there are many more.

- **Sound Recording Related Organizations (Artist & Label)**

- **Digital Radio Royalties.** **SoundExchange** is the only entity authorized by Congress to administer the statutory licenses described in sections 112 and 114 of the Copyright Act. They pay out sound recording digital royalties for the use of sound recordings on non-interactive digital services. Because SoundExchange pays out 45% of sound recording digital royalties *directly* to the **artist** and 50% *directly* to the **label**, you should join as an **artist** and your **music company** should join as a **label**.

It is free to join SoundExchange and they conveniently make it easy for you to register as both the **artist** and **label** (which SoundExchange refers to as the “sound recording copyright owner”) during the registration process. Visit www.soundexchange.com to learn more and register.

(Tip: In order for SoundExchange to collect your *international* sound recording digital royalties, elect to become a *member* of SoundExchange during the registration process).

- **Private Copy & Record Rentals Royalties.** The **Alliance for Artists and Record Companies (AARC)** is the only entity authorized by Congress to administer the **Audio Home Recording Act** licenses and foreign reciprocal licenses royalties. Because AARC pays out private copy and record rentals royalties *directly* to the **artist** and *directly* to the **label**, you should join as an **artist** and your **music company** should join as a **label** (which AARC refers to as the “sound recording copyright owner”). It is free to join AARC, but you must join individually as an **artist** and individually as a **label**. Visit www.aarcroyalties.com to learn more and register.

- **Neighboring Rights Royalties.** Sound recordings earn performance royalties outside of the United States referred to as **neighboring rights royalties**. The music rights organizations outside of the US do not send the **neighboring** rights royalties to US music rights organizations. Instead, they pay the funds out to local labels and artists. To collect sound recording **neighboring** rights royalties, **labels** must hire a **neighboring rights administrator** (similar to a publishing administrator for the composition) that will attempt to collect the royalties, for a commission, and pay the **label**.

- **YouTube Royalties.** Just like the composition can earn sync and public performance royalties on YouTube, the sound recording can earn **master use royalties** (because a sync license *also* requires a master use license when an existing sound recording is used). If someone uses your sound recording in their video, YouTube can place ads on their video and pay you every time YouTube earns money. Instead, artists generally partner with a Multi-Channel Network (MCN) like **Fullscreen** and **InDMusic** to help them collect their **master royalties**. Many digital music distributors also provide YouTube master royalties collection. Check with your distributor.

As a recap, you, the **creator**, must join:

- ASCAP or BMI (for public performance royalties) as a **songwriter**,
- SoundExchange (for digital radio royalties) as an **artist**, and
- AARC (for private copy & record rentals royalties) as an **artist**.

And your **music company** must join:

- ASCAP or BMI (for public performance royalties) as a **publisher**,
- Harry Fox Agency (for mechanical royalties) as a **publisher**,
- Music Reports Inc. (for mechanical royalties) as a **publisher**,
- Loudr (for mechanical royalties) as a **publisher**,
- Audiam or a similar service (for YouTube sync royalties) as a **publisher**,
- SoundExchange (for digital radio royalties) as a **label**,
- AARC (for private copy & record rentals royalties) as a **label**,
- An MCN or distributor (for YouTube master royalties) as a **label**, and

- A Neighboring Rights Administrator (for neighboring rights royalties) as a **label**.

Step 4: Register your music and get paid.

Once you've joined the various music rights organizations and have provided them with your banking information, they will be able to deposit royalty payments into your bank account based on your earnings. The most important thing that you can do to ensure that royalties are paid to you is make accurate, complete, and timely registrations of **music metadata** to all of the organizations that administer licenses and distribute royalties.

Metadata is the information *about* your music that is disseminated throughout the music industry to a wide variety of recipients (i.e., music rights organizations, digital service providers, metadata suppliers, etc.) and used for a variety of purposes such as identifying stakeholders (Writers, Publishers, Artists, Labels), serving up track details (e.g., Track Artists, Track Title, Track Number, Track Genre, BPM), audio recognition, smart recommendations, and **accounting to and paying income participants**.

Complete music industry registration requires you to register your metadata with *each* organization and then *continue* to register all new compositions and sound recordings that you create. Unfortunately, each organization has its own unique process and web forms for registering metadata. And each individual registration can take several minutes to complete, provided that you have all of the metadata readily available.

As a result, a standard album of 12 to 14 tracks could have **over 100** allocations of income participation resulting in dozens of unique registrations and hours, or even days, of data-entry and processing time. DIY musicians do not have an endless supply of time. DIY musicians need smart, efficient, and easy-to-use tools to help with something as important as catalog management and music registrations. This is where **TuneRegistry** comes in handy.

TuneRegistry is an all-in-one music & rights metadata management platform for the independent music community. **TuneRegistry** provides a secure environment for music creators and rights holders to collect, organize, store, and manage metadata in an easy-to-use cloud-based catalog. What sets **TuneRegistry** apart from similar catalog software is our powerful **Registrations Engine**, which streamlines the delivery of registrations to music rights organizations, data services, and music industry entities in our ever-growing network of exchanges.

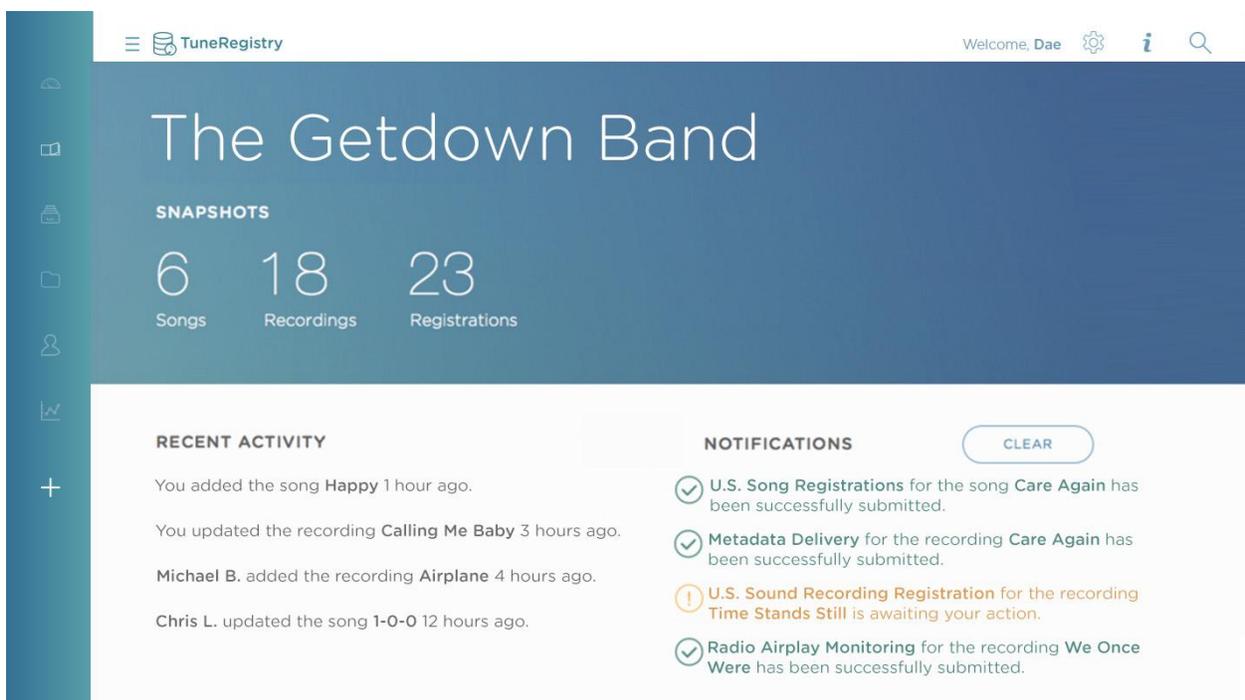
Once you've joined an organization to which **TuneRegistry** delivers, you no longer have to login to that organization's system to make the necessary registrations. Simply create a composition or sound recording record file once in your **TuneRegistry** catalog and initiate multiple registrations with your account. **TuneRegistry** enables you to manage all of your metadata in one place and to deliver it not only to music rights organizations, but also data services that power features in digital music services, music apps, and audio devices.

Conclusion

Being a serious **DIY Musician** is a special kind of challenge. Giving your all to your music career often requires significant emotional and financial investment. And with a small or non-existent support team, the pressure can be cumbersome. Nevertheless, keeping up with the business aspects of the music industry is a necessary part of being properly accounted to and compensated for your art. *The DIY Musician's Starter Guide to Being Your Own Label and Publisher* aims to help you navigate the business with the awareness and confidence to assert your rights and unlock your music's potential. With this guide, you should become your own **advocate**.

Feel free to Tweet questions to Dae Bogan at @daeboganmusic.

And don't forget to check out **TuneRegistry**, the DIY Musician's tool for organizing and managing compositions and sound recordings, and getting metadata registered with ease.



The screenshot shows the TuneRegistry dashboard for 'The Getdown Band'. The interface includes a sidebar with navigation icons, a header with the user's name 'Dae', and a main content area. The main content area features a 'SNAPSHOTS' section with three metrics: 6 Songs, 18 Recordings, and 23 Registrations. Below this, there are two sections: 'RECENT ACTIVITY' and 'NOTIFICATIONS'. The 'RECENT ACTIVITY' section lists four recent actions, including adding a song, updating a recording, and adding a recording. The 'NOTIFICATIONS' section lists four notifications, including successful submissions for U.S. Song Registrations, Metadata Delivery, and Radio Airplay Monitoring, and one pending action for U.S. Sound Recording Registration.

TuneRegistry Welcome, Dae

The Getdown Band

SNAPSHOTS

6 Songs 18 Recordings 23 Registrations

RECENT ACTIVITY

- You added the song **Happy** 1 hour ago.
- You updated the recording **Calling Me Baby** 3 hours ago.
- Michael B. added the recording **Airplane** 4 hours ago.
- Chris L. updated the song **1-0-0** 12 hours ago.

NOTIFICATIONS CLEAR

- ✓ U.S. Song Registrations for the song **Care Again** has been successfully submitted.
- ✓ Metadata Delivery for the recording **Care Again** has been successfully submitted.
- ⚠ U.S. Sound Recording Registration for the recording **Time Stands Still** is awaiting your action.
- ✓ Radio Airplay Monitoring for the recording **We Once Were** has been successfully submitted.

Visit www.TuneRegistry.com to learn more.

Use code **DIYEBOOK** to get 50% off the first two months of any paid plan.