

The 3 Types of Publishing Agreements (and Why They're Important)

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If you write your own songs, either with a band, on your own, or co-writing with others, developing an understanding of how music publishing works is probably the most important thing you can do to further your career in the music business.

Yet, without a doubt, music publishing is the most confusing aspect of this business. The number of blank stares that return my gaze after I explain music publishing to an artist over coffee or in our boardroom is countless, and perhaps warranted. This stuff is complex.

A good starting point is a diagram.

Publishing Revenue



In every song, the publishing revenue is divided into the Publisher's Share and the Writer's share, in equal halves. So the circle represents the song. If you never sign any form of publishing deal, you as songwriter get 100% of the publishing revenue and rights, meaning you receive the full pie above.

From here, signing a publishing agreement involves dividing up the pie on the right, the Publisher's Share. You cannot assign away your Writer's Share. SOCAN will only pay out the Writer's Share to the actual songwriter (or a corporation controlled by the songwriter, which is often the case for songwriters who want to funnel their publishing revenue through a corporation rather than through themselves personally, for tax purposes).

The 3 main types of publishing agreements are:

1) Publishing Administration Agreement: Often artists want to retain ownership in their publishing, but hire a third party to make the most of their catalogue of songs. This involves shopping the songs for film/tv placements, and making sure that the correct amount of publishing revenue is being collected for the catalogue around the world. In theory, SOCAN equivalents around the world are doing that already, but often times money gets missed, and never ends up back in the Canadian songwriter's pocket. This is where the Pub Administrator can be a useful ally in making sure your songs are generating the most revenue possible around the world.

In this scenario, the publishing administrator does not *own* the copyrights in the Musical Works, but *administers* those copyrights for a percentage ranging from 10-25%. So you give up a percentage of your publishing revenue with the hope that the publishing administrator will help your catalogue generate significantly more revenue to offset their fee. In diagram form, the Artist retains full ownership of both pies, but gives up 10-25% of the Publisher's Share. So in a 20% Pub Admin deal, the Artist gives up 20% of the Pub Share pie (i.e. 20% of the 50% Publisher's Share), which equals 10% of the overall publishing revenues being generated by their catalogue (as the Writer's Share remains untouched). So the Artist is left with 90% of the overall publishing revenues as follows:

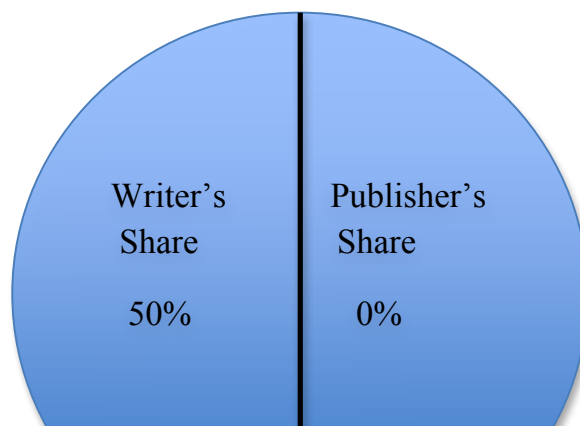


2) Co-Publishing Agreement: The Co-Pub deal is the norm in the business today. The publisher and the writer co-own the copyrights in the musical works and the publisher administers the copyrights in the works. The standard Co-Pub deal involves half of the Publisher's Share going to the Publisher, meaning we're left with a 75/25 split in favor of the Artist (i.e. 50% of the Publisher's 50% is given away, or 25% overall).

The overall split of publishing revenue is 75/25 in favor of the artist, so the Artist is left with the following:



3) Publishing Agreement: Full publishing deals are not as common today as they were in the past, and are only justified when a significant advance is being offered for the writer's catalogue. The publisher owns 100% of the copyrights in the musical works and has sole administration rights. The overall split of publishing revenue is 50/50, as the writer is left only with the Writer' Share of publishing revenues.



What Does a Music Publisher Do?

Generally speaking, music publishers administrate, promote, exploit and protect your catalogue of songs throughout the world, for the life of the copyrights in those songs. The two key earnings sources for music publishers are mechanical royalties – royalties from sales of records, compact discs, and digital downloads, and performance royalties – royalties earned from the public performance of songs.

Until the 20th century a publisher's main function was administrating printed music in all its forms. However, as 20th century technology extended the use of music, so the responsibilities of publishers similarly widened to include the licensing of music on records, radio, television, films, concerts and, more recently, tapes, compact discs, satellite and cable distribution, karaoke, video games, computer software, CD-Roms and other forms of multimedia, etc.

Publishers may also actively 'pitch' your songs to artists to record and 'plug' your recorded songs to radio, TV and other users.

It is very common in today's marketplace for an artist or group to write their own material. Therefore if a recording contract is signed strong efforts are made to sign rights to the songs at the same time. The main reasons for this are economic and artistic. In economic terms, additional earnings from performing rights can boost publishing earnings from record sales. As well, those copyrights are still available to be exploited and 'covered' by other artists. In artistic terms, it is often felt that controlling both the recording and publishing constitutes a more marketable package.

There are instances where it is better for the creators if recording and publishing agreements are signed with the same company thus enabling the maximum promotional and marketing benefits to be realized and increasing the chance of success. Which is why you often see bands that have signed a publishing deal with the publishing arm of their record label (i.e. Warner Chappell Music and Warner Bros. Records.).

What is Sub-Publishing?

To maximize the earnings potential of copyrights when a domestic publisher looks to exploit a song catalogue internationally, the publisher generally turns to established publishers in foreign territories. Their agreement is known as a **sub-publishing contract**.

The advantages of sub-publishing are obvious: the foreign publisher ideally has the necessary contacts to expose works in that territory and the administrative skills to collect subsequent royalties. Securing covers is part of the job, but having a sub-publisher ensures proper registration, licensing and documentation of a catalogue. Also, a sub-publisher can, through membership in local mechanical and performing rights societies, collect and distribute income generated by an original recording much more quickly than if those societies were to farm it out to the original publisher's performing rights society.

So: should you sign a publishing deal? Fair question. The answer really depends on the track record of the publisher involved, the current state of your career, the offer on the table, etc. Call me, I'd be glad to help.