Voluntary License

Most of the time, licenses are granted voluntarily by copyright owners for a negotiated fee. These are called voluntary (or direct) licenses.

For sound recordings, most licenses are voluntary. For example, someone who wishes to post a sound recording on the Internet or offer sound recordings for download must obtain a license from the individual owner of the sound recording.

Licenses usually take the form of a written contract that specifies the owner of the copyright, what rights are being granted, the term of the license, and any royalties to be paid. Click here: (http://www.riaa.com/issues/licensing/howto.asp) to find out how to get a license.

You Need A Voluntary License If You Are...

. . . Using a sound recording in a movie, commercial or other visual work. If you want to use a sound recording in a visual work, you need a synchronization license, so called because the music is "synched" to the video. You've already created your visual work and you want to put some music under it. You want just the music for your movie, commercial, documentary, sitcom, or any kind of audio/visual presentation, no matter where it is aired, even the Internet. For example, Chevy Trucks has been using Bob Seger’s song "Like a Rock" for years. The movie "10 Things I Hate About You" used Semisonic’s "FNT," and Ta Gana’s "Saturday Night." Synchronization licenses are granted by individual soundrecording copyright owners.

. . . Offering music videos to view or copy. Music videos are called "audiovisual works" and are licensed by the creator of the video. Often times the record company that produced the sound recording in the video owns the music video itself. Look for the © on the video for the copyright owner. Music videos are licensed by individual copyright owners.

. . . Using a :30 clip. Rumors abound that using 30 seconds or less of a song doesn’t require a license. Not true. Although some uses of small amounts of music are considered fair use and don’t require a license (see copyright section for a definition of fair use), generally speaking, the use of any part of a song requires a license. So, if you perform, reproduce or distribute clips, you should contact the sound recording copyright owner for a license. Note that offering clips on-demand does not qualify for a statutory license.

. . . Selling compilation CDs. Many new businesses are offering consumers the ability to choose recordings and combine them on one CD. In order to do that, you need a license to reproduce and distribute those
recordings. These licenses are granted by individual copyright owners.

. . . To offer digital downloads. If you want to offer digital downloads of music (whether they are for sale or not), you need a license. Those licenses are granted by individual copyright owners.

. . . Offering a jukebox on the Internet. Interactive services do not qualify for a statutory license. Instead, such operators must obtain performance licenses from individual copyright owners, just like other webcasting services. Interactive services include those that permit a listener to choose a particular song and those that create a personalized program for the listener. If copies were being made into the computer server, operators would need to negotiate reproduction rights also. See the Webcasting FAQ. (http://www.riaa.com/issues/licensing/webcasting_faq.asp)

. . . To offer a download or performance to someone outside the United States. Copyright law is territorial; that is, U.S. law covers only reproductions, distributions and performances that occur in the U.S. So for any uses of copyrighted sound recordings outside the U.S. you would need a separate license from the owner of the recording. For example, if a U.S. webcaster streams a recording to someone in the U.K., the webcaster needs a license from the owner of the recording in the U.K.

When operating abroad, check local copyright law on two issues. 1) What the rights of the copyright owner in that country. 2) Who do you contact to negotiate rights. If you’re dealing with a major company it is likely to have an affiliate overseas, otherwise look to collecting societies.

Statutory Licenses

Sometimes, when certain conditions stipulated by law are met by the person seeking a license, the copyright holder must grant a license. These are called statutory (or compulsory) licenses and generally the fee is paid according to a rate set by law, called a "statutory rate." Statutory licenses are efficient because they do not require the person or entity using the recording to obtain separate licenses from each sound recording copyright owner.

Some types of performance and reproductions of sound recordings qualify for a statutory license. The most common type of use covered by these statutory licenses is for non-interactive webcasting or Internet radio.

Click here to read the Webcasting FAQ. (http://www.riaa.com/issues/licensing/webcasting_faq.asp)