Licensing of Cover Versions in the UK

by David Stopps

If you have created is a completely new **recording** and haven't used any samples from the original recordings, then it's a new copyright and you don't need to get permission from the original recording copyright owners. If you've used samples you will definitely need permission from the original recording copyright owner and the publisher for each sample. If you have filled in the non-mandatory fields on author and publisher information in the PPL registration form for each recording and ticked the box 'Forward to MCPS' that will happen automatically. PPL send the author/publishing info gathered when a recording is registered every night. When I say 'author' I mean songwriter/composer/lyricist/arranger.

On the author's side it is, as always, more complicated.

If the cover is a faithful cover. (i.e. The work in the original recording is faithfully copied with no changes in basic arrangement, melody or lyrics etc) you will need to do the following:

For **physical release** you will need an AP1, AP2 or a Limited Manufacture License. AP1 is for the majors and indies that have significant turnover and releases. AP2 is for smaller record companies which is probably what you have? Limited Manufacture Release licences are for small quantities of physical product (up to 1000 pieces) and are mostly used by DIY artists who self-release to sell on the road etc.

Here is info on the Limited Manufacture License:

https://www.prsformusic.com/licences/releasing-music-products/limited-manufacture

When it comes to digital downloads and streaming the arrangements are quite different.

With physical product it is necessary to pay mechanical royalties which are set in the UK at 8.5% of dealer price which equates to 6.5% of the retail price. There is no performance element (PRS) when a piece of physical product is sold.

With digital there is a performance element and a mechanical element with every download or stream. For downloads (I-Tunes etc) it is 75% mechanical and 25% performance. For streaming it is 50% mechanical and 50% performance.

If you're selling downloads or streams <u>via your own website</u> you will need a Limited Online License from MCPS. This will also apply if you're selling via a direct-to-fan platform like Bandcamp who don't license the digital platforms directly. You can see more information here:

https://www.prsformusic.com/licences/using-music-online/limited-online-music-licence

If you're selling downloads or streams via a distributer like AWAL who will put your recordings up on I-Tunes/Spotify/Apple Music/Amazon/Deezer etc you don't need to do anything apart from providing author and publisher information to your distributor. If you can supply the ISWC code that would be a bonus although some low-cost DIY distributors don't have the facility to add it. Your distributor will provide the digital services with the information for you.

The services (Spotify etc) have their own negotiated agreements with the publishers either directly or via SPVs (Special Purpose Vehicles) or via hubs such as ICE and will pay mechanicals on your behalf so you don't have to deal with it.

All the above is for UK release only.

If you want to release in USA either physically or for downloads you will need to apply to each publisher whose works are contained within the cover recording and get a Section 115 mechanical license. It's a lot of work but should be made easier when the new US CMO MLC gets up and running which is due to happen at the end of 2020. For streaming in the US it works the same way as it does in the UK with the distributor arranging licenses with the digital platforms and providing them with the necessary information.

All the above is for audio-only cover recordings.

For audio-visual streaming and downloads on services like Youtube (even if you only have a static piece of artwork on the screen throughout the video) again the services (Youtube) will have deals in place with the publishers/SPVs/Hubs and will pay them directly so you don't need to worry about it, apart from providing author/publishing info and if possible ISWC code.

You will also need to get ISRC codes for the recordings but I'm sure you know that.

David Stopps <u>davidstopps@fmlmusic.com</u> +44 7899870023