

The Tune Kit

One-Stop Music Licensing Services

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Introduction

Playing music attracts customers.

Your customers interact with music every day. Business owners know that playing music in the background or offering live music not only draws customers, but keeps them. Studies have shown that music affects consumer behavior; offering music as part of the consumer experience is a basic ingredient for commercial success.

Do you fall under one of these categories?

Just as a restaurant that serves alcohol must obtain a liquor license, any business or venue that publicly plays music is considered to be a “music user” and must obtain a music license. A “music user” includes any person, business, or other entity that publicly performs music, whether through live performances or over a sound system. Examples of “music users” include:

Restaurants	Retail Stores
Breweries	Salons
Clubs	Malls
Coffee Shops	Schools
Hotels/Motels	TV/Radio Stations
Gyms/CrossFit	Auto Dealerships
Theaters/Concert Halls	Music on Hold

Introduction

What you really need is a music license.

As a business owner and music user, you are responsible for obtaining the proper music license for your business. You can obtain a music license from the performing rights organizations (ASCAP, BMI, SESAC, and GMR). Once the license is in place, you are legally permitted to play music publicly at your business.

Your personal music streaming subscription is not a license to play music in your business.

Licensing music for your business requires more than paying for a personal music streaming service subscription. Many businesses assume that purchasing a Spotify, Pandora or other music subscription is all you need. However, these streaming services are only licensed for personal use, and playing music from a general streaming service or from your digital music library still exposes you to legal liability under copyright law.

**We know the value of music to your business.
We can help you navigate the music licensing
process, so your customers can listen to the
music they love.**

Our approach.

We know the law, and we can help make the transition to licensed music use smooth and stress-free. Although the ins and outs of music licensing can be daunting, we break down how the system works into easy, accessible language and eliminate the headache of trying to maneuver the process by yourself.

PRO TIP

- Paying for a Spotify, Apple Music, or Sirius XM subscription does not mean you have a license to play music in your business.
- Under the fine print for these services, you agree not to perform or broadcast the music in a commercial or public setting.

The Performing Rights Organizations

Where to license music.

You can license music for your restaurant, bar, brewery, hotel, or gym, or other business establishment from ASCAP, BMI, SESAC, and GMR, also called performing rights organizations (“PROs”).

The PROs function as “clearinghouses” by acquiring the rights from the songwriters and music publishers, granting licenses to music users for public performances of their entire repertoire, and ultimately paying royalties to the copyright owners.

Songwriters can only belong to one PRO. This means that each PRO represents different artists.

Because most songs have multiple songwriters, it is advisable to secure licenses from each of the PROs, particularly if you play a lot of popular music.

ASCAP

**American Society of Composers,
Authors and Publishers**

(includes nearly 10 million songs)

www.ascap.com

SESAC

**Society of European Stage Authors
and Composers**

(includes nearly 400,000 songs)

www.sesac.com

BMI

Broadcast Music Inc.

(includes nearly 12 million songs)

www.bmi.com

GMR

GlobalMusicRights

(Includes artists by invitation only)

www.globalmusicrights.com

Music Licensing and the Law

You pay your chef, brewer, and barista . . . why not your songwriter?

Like the farmers, chefs, and brewers who make the food and beverages you sell, songwriters write the songs that your consumers listen to and enjoy. Musicians who write music make money from royalties that they earn when you play music in public. Paying for music is like paying for any other product that you supply in your business.

Playing music publicly without permission is illegal.

Like books and movies, music is protected by copyright law. Among other rights granted to songwriters under copyright law, songwriters have the exclusive right to permit others to perform their musical works publicly (i.e., the “performance right”). Public performances also include playing music with technology, such as using a jukebox or a digital device or streaming service connected to a sound system.

Playing music for the public requires a music license, whether or not the activity is for profit.

Playing unlicensed music is Illegal; but will you get caught?

Probably. Each of the PROs employ people to visit restaurants, breweries, bars, cafés, gyms, and hotels to verify whether the business owner has purchased a music license. If you play unlicensed music, you will receive enforcement letters, you can be sued, and you can face federal fines of between \$750 and \$30,000 per infringing work.

It is best to be proactive and obtain a music license in advance.

PRO TIP

- If you purchased a personal-use subscription from Spotify, Pandora, Apple Music, Amazon Music, or Google Play or you only host live music . . . you still need to obtain blanket licenses from ASCAP, BMI, SESAC, and GMR.







How We Can Help: One-Stop Music Licensing Services

We help you focus on your business by providing a one-stop solution to your music licensing needs.

We understand that you are focused on the bottom line, and licensing music is just one more added expense. Because playing music is an essential ingredient to your success, you need a simple and business-friendly approach to properly license and use music.

The problem is that the music licensing process is hard to understand and can feel like opening up a Pandora's box. Perhaps you're already receiving threatening notices from ASCAP or BMI. Today, you are left to navigate the process on your own, without anyone to advocate on your behalf.

We provide a safe, neutral space to discuss your music licensing needs and options. We offer the following services for a fixed annual subscription fee:

-  Comprehensive music licensing consultation for your business based on music uses
-  Negotiate rates and discounts directly with representatives from the PROs
-  Prepare and file each of your ASCAP / BMI / SESAC / GMR licenses
-  Monitor and maintain blanket license registrations and provide reminders of renewal deadlines
-  Review and forward notices from the PROs
-  Maintain a database of the music uses for your business

MUSIC LICENSING SERVICES

- \$250 / year / business*

**Individual PRO music license fees are not included, but will be secured on your behalf as part of our services. The setup fee may vary based on the number of business locations that require licensing. Pricing subject to change.*

Comparing Music Licensing Options

	Source(s)	Pros	Cons
Blanket Licensing from the PROs	ASCAP BMI SESAC GMR	<p>Play live and recorded music from each PRO's entire catalogue</p> <p>Control your music from any device or streaming service</p>	<p>Slightly more expensive, depending upon the uses of music</p> <p>You may need to obtain and maintain up to 4 licenses</p>
Music Streaming Services for Business	Pandora for Business Soundtrack Business Rockbot PlayNetwork (SiriusXM) DMX Muzak	<p>Each streaming service has pre-licensed the music for business use</p> <p>Slightly less expensive than obtaining blanket licenses</p> <p>Control your music through a single streaming service</p>	<p>Does not include a license for live music or TV broadcasts</p> <p>Does not include music played through other devices or streaming services</p>
Jukeboxes	Jukebox Licensing Office Touch Tunes	<p>Music is pre-licensed by the Jukebox Licensing Office</p>	<p>Does not include a license for live music</p> <p>Does not include music played through other devices or streaming services</p>

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Having provided more than a decade of executive leadership in the performing arts, Ari offers a nuanced appreciation for the many legal and business issues that face businesses, nonprofits, and creative clients. With this unique perspective, Ari focuses his practice on tax-exempt organizations, entertainment law, copyrights, and music licensing.

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