

We've Got You Covered

Keeping up with complex music licensing requirements is nearly impossible for today's businesses. But, noncompliance means risk of legal action in federal court and potentially costly penalties. At DMX, we not only design and deliver powerful music and music video solutions. We take care of the licensing so you can focus on running your business.¹ Here is a quick primer to help you understand the importance of licensing and the value of having DMX on your side.

Licensing 101

The purpose of the United States Copyright Law is to protect the rights of artists, authors, composers and publishers to their work. When anyone plays or performs music in public, or distributes music in any form, they must have the rights to that music. If not, U.S. federal copyright laws call for severe legal and financial penalties. So, prior to using music or video in a commercial setting, a business must secure several rights:

- **Master Rights** – The right of the actual sound recording, owned by the record label and/or artist. To make a copy of the sound recording, an individual or a business requires a license from the owners.
- **Mechanical Rights** – The right of the author, composer and publisher of the musical composition, the song's music and lyrics, referred to legally as the "underlying sound recording." To make a copy of the song, a business needs to secure the mechanical rights from the publisher directly or through The Harry Fox Agency who may be the publisher's administrator.
- **Performance Rights** – The right to publicly perform a musical composition within a business. A performance includes the use of any form of music player, including but not limited to, an mp3 or CD player or any form of broadcast, such as AM/FM or satellite radio. These rights are either administered directly from the publisher or through performing rights organizations such as ASCAP (American Society of Composers, Authors and Publishers), BMI (Broadcast Music, Inc) or SESAC.
- **Synchronization Rights** – The right granted by the owner of the Master Rights (the record label and/or artist) and Mechanical Rights (composer, author and publisher) to authorize the recording of a musical work onto the soundtrack of an audio/visual work, allowing the song to be synchronized with images.
- **Compilation CDs, Pre-Loaded Portable Media and Music Downloads** – In order to produce a compilation CD, produce pre-loaded portable media or provide music downloads, a business or individual requires a license for each song from the record label and/or artist (owners of the Master Rights) and from the author, composer and publisher (owners of the Mechanical Rights).

DMX understands the intricacies of music licensing. We have negotiated agreements with music publishers and record labels around the world:

- **Master Rights** – DMX has direct licenses with all the major record labels – Sony Music Entertainment, Universal Music, EMI and Warner Music – and nearly 5,000 independent record labels.
- **Mechanical Rights** – DMX has direct licenses for the mechanical rights with thousands of catalogs throughout the world as well as with the Harry Fox Agency.
- **Performance Rights** – DMX holds direct licenses with ASCAP, BMI, SoundExchange, SESAC as well as other performance rights organizations.

So, when you go with DMX you get peace of mind in knowing you're legally covered. We shoulder the licensing obligations so you can focus on what you do best.

You also get the satisfaction of knowing that the artists, who continue providing the music that is such an important part of our lives, are being properly compensated for their work and talent.

¹ *Licensing fees paid by DMX may be subject to other restrictions imposed under license agreements applicable to the use of the service.*

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