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## **Business fees to play music vary**

The rewards of entrepreneurship are often accompanied by plenty of rules, regulations, taxes and licenses.

One that often gets overlooked is the need to pay to play copyrighted music.

Songwriters own the copyrights to their songs and, by law, must be compensated whenever they are played or performed in public.

Committing copyright infringement can result in stiff penalties — by law, actual damages or statutory damages of up to \$150,000 for each violation.

Business owners are ultimately responsible for any violation of copyright law that occurs in their establishments.

Here are some scenarios where you would be liable for copyright infringement if you do not have the proper license to play music:

- You hire a live band and instruct the musicians to not play covers, only original songs. But one night, someone calls out for Free Bird and the band plays it.
  - At your business you play satellite, terrestrial or Internet radio in the lobby.
  - Your health club plays dance music during aerobics classes.
  - You own a bar and advertise Thursday nights as “iPod Night,” where patrons bring in their MP3 players, hook them up to your PA system and play their own music.
  - You own a restaurant and rent out one room for an office party where a cover band plays oldies.
- Here are ways business owners can broadcast recorded music without violating copyright:

- Obtain a yearly license from each of the three performing rights organizations — ASCAP, BMI and SESAC — that control licensing rights to songs.

Such blanket licenses cover all the songs in their repertoires.

A bar that features live music seven days a week and seats 100 will pay \$534 this year for the right to play music written by ASCAP songwriters.

Proprietors would need two separate licenses to also play music by Taylor Swift, a BMI songwriter, and Neil Diamond, a SESAC songwriter.

If your business falls under a certain capacity threshold, you may be exempt from paying music licensing fees. For example, if you have a food or drink establishment with less than 3,750 gross square feet, you only play the radio and do not charge a cover fee, ASCAP exempts you from paying a licensing fee.

- Pay for a service that provides business background music, such as Muzak, DMX, **PlayNetwork** and TruSonic. Such companies take care of licensing.
- Play only music that has an expired copyright, which means it is in the public domain. Music enters the public domain 70 years after the date of death of the last surviving writer of the song — which is known as the “life plus 70” rule.
- Book musicians who own and perform original works only, and can grant the license or permission themselves.
- Negotiate separate licensing agreements with the composers or publishers of each work you want to use.

Because the three PROs represent all copyrighted works, there are only two safe ways to ensure you are on the right side of the law.

The first is to contact each one for licensing guidelines.

The other is to not play music at all.