



## MUSIC CASE STUDY

X Ltd wishes to build a business which helps recording artists and record companies to sell artists' recordings and other material to consumers on both a fixed line and wireless basis. X wishes to sell a range of offerings, including studio recordings, live recordings, ringtones and other merchandise.

Our advice to the client covers every aspect of their business structure and their commercial proposition. Initially we prepare a shareholders agreement and give the client all necessary advice on its corporate structure. We also review the lease on the client's premises and prepare contracts of employment for its staff. We then prepare the basic customer terms and conditions for their portals, and the standard form contract under which the client contracts with artists and record company customers.

Then it comes to the music licensing, and this can be a complex business. Any piece of recorded music is a bundle of copyrights and related rights, and each of them needs to be cleared and/or licensed.

Quite apart from the artists and label's rights there is copyright in the underlying musical compositions which needs to be licensed separately, and different licences apply for downloads, ringtones and song lyrics. We steer the client through the licensing issues and give commercial as well as legal advice on how best to ensure the service has all the clearances it needs on a sound commercial basis.

Finally, the client will need advice on its distribution contracts with internet portals and mobile network operators, contracts with sponsors and advertisers, advice on data protection issues, and advice on the regulatory aspects of running an e-commerce business, such as distance selling, consumer rights and VAT. We complete the package and make sure that all potential legal issues are closed off so that the client can open for business.