

Creators, Makers & Innovators

DEALS AND DEAL NEGOTIATION

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► **Nigel Dewar Gibb**

Lewis Silkin LLP



LEWIS SILKIN





KEY POINTS ON DEALS

- What rights are being granted?
- How long are the rights being granted for?
- What obligations are imposed in dealing with these rights?
- What is the payment (advances/royalties/share of profits?)
- Is there an audit clause to check payments are being made properly?
- Can you get out of the deal? (Termination)
- Can you get the rights back? (Right of reversion)



GENERAL POINTS ON DEALS

- No offer unless in writing
- Age and stage
- Bargaining position
- Well resourced vs under-resourced
- Inducements/promises
- Deal memos vs long form
- Independent legal advice? Legal fees



TYPES OF DEAL

- Deal 01: DIY Distributor – Fee Based: basic digital distribution plus usage and royalty data
- Deal 02: DIY Distributor – Commission Based: digital distribution plus usage and royalty data. Marketing Services
- Deal 03: DIY Distributor (with advance)
- Deal 04: Distributor – longer term/commitment
- Deal 05: Distributor (with Marketing): inhouse/external agencies. Recoupable costs
- Deal 06: Distributor With Label Services: see list of Services. Recoupable costs
- Deal 07: Distribution Deal With A Label
- Deal 08: Assignment Deal With A Label (Profit Share): costs recouped from all income (not just vs artists share) © retained
- Deal 09: Assignment Deal With A Label (Royalty Deal – Indie) labels costs (i.e. advances, recording costs, videos, equipment, TV spend etc.) All recoupable © retained.
- Deal 10: Assignment Deal With A Label (Royalty Deal – Major): Recoupable costs © retained. Life of ©?



EXAMPLE: WHAT A LABEL OR INDEPENDENT LABEL PARTNER MIGHT PROVIDE:

- Advances
- Recording Costs
- Artist Development
- Product Development
- Digital Distribution
- Physical Manufacture & Distribution
- Consumer Marketing
- B2B Marketing
- Press
- Promotions
- Social Media & digital channels: stats analysis
- Sync
- Other Commercial Opportunities



DEAL NEGOTIATION:

- What the Labels usually ask for:
 - Exclusivity
 - Revenue Share: Royalties/Profit share/Net Receipts
 - Copyright Ownership: Life of copyright
 - Ancillary Revenues: Publishing/Merchandise/Live.
- What the Label/Label Partner might provide:
 - Investment
 - Services
 - Royalties/Accounting



NEGOTIATION POINTS

- Commitments
- Copyright Ownership vs Licence
- Royalties, Recoupment & Discounts
- Reporting



TRENDS & CHALLENGES

- Worldwide market: how to monitor?
- Trend towards rights ownership
- Volume of data/sources of data/reporting
- Skills shortage
- New professional services: ©works
- Volume of assets being uploaded (40k per day uploaded to Spotify)
- Access/transparency/complexity/NDA's
- Piracy