

PUBLISHING / RECORD LABEL CONTRACT

[INSERT BIG CORPORATE RECORD LABEL NAME]

(and who will now be referred to as you or us or we)

AND

[INSERT YOUR NAME HERE]

(and will now be referred to as you)

Please note that a record or publishing contract will never come in this form. This was a contract I took from an existing publishing and record label contract and I 'translated' it into the most basic form of English.

The point of this contract is to let you see the dark side of contracts, and what people are actually signing without really realizing it. Us lawyers have an excellent way at making the bad sound good. Enjoy.

a little blurb about this contract

You are a composer of music, we are a record company / publisher. The point of this contract is to let us have full control over your copyrights so that we can do whatever we want to them to make money for everyone. You will also work for us, and only us. You will make more music so that we can again do what we want with it to make money for everyone.

The contract now begins:

1. DEFINITION

There are certain words that will be used a lot in this contract. We put the important ones in the beginning and have given them definition. So if you do not understand what we mean by a certain word, look at this part.

“Advances” – this is a loan that we give you which you cannot give or pay back to us but which we will eventually claim back from you by taking your royalties.

“Compositions”^{AR} – this is the musical composition (i.e. a song) that you have composed. When reading this contract, remember that every time we mention “compositions” we are including music compositions which:

1. You have written whilst you are bound to this contract.
2. Which you will still have to write whilst bound to this contract.

3. All the songs which you have already conveniently listed for us at the back of this contract.
4. Any part (not matter how big or small) which you started writing before you signed this contract and which you finished whilst bound to this contract.
5. Pretty much any song that you were somehow involved in making.

[^{AR}: Many people overlook this definition. Don't! This definition is actually telling you what the record label or publisher will own as soon as you sign the contract]

“**Exploitation period**” ^{AR} – is the time between signing this contract and until the copyrights in the song you created fall into the public domain (i.e. 50 years after you die).

[^{AR}: in other words, they get to use your copyrights forever]

“**Income**” – this includes all type of money we get whenever your song is used in any way.

“**Net Receipts**” – this is the income we get minus all tax related deductions and other fees that we still have to pay.

“**Term**” ^{AR} – This is the total time which this contract will last for. It is from the moment you sign this contract, until it officially comes to an end.

“**Territory**” ^{AR} – every possible corner of the earth, and the universe.

[^{AR}: I kid you not, but many contracts refer to ‘the universe’. The point of this definition is to tell you that this contract will bind you all over the globe, and that they will own your copyrights, and make money for you (and them) all over the world, including the universe – the labels do this in case scientists actually figure out a way to live on Mars. The labels want all royalties from music played on Mars too. Greedy!]

2. TERM

- 2.1. This contract is valid for 5 years from the moment you sign it.
- 2.2. When the contract comes to an end, we have the choice to extend this contract for another year and **we can keep extending** this contract for a total of 7 years. In other words, this contract could last as long as 12 years whether you want it to or not.
- 2.3. If we have used up all the amount of times we can extend this contract by, then this contract will still automatically extend each year **unless** both we and you agree, 60 days before the end of the contract, that it must not extend again.

- 2.4. If you do not write enough songs whilst you are bound to this contract, then this contract will keep extending until you have written enough songs.
- 2.5. If we do not make all our money back from the loan we paid you, then this contract will keep extending until we have gotten all our money back.
- 2.6. We can also collect all money which you earned from your song before you signed this contract.

[AR: *I don't think I need to warn you how dangerous this clause is. You could be bound to this contract for a very long time!*]

3. GRANT OF RIGHTS

- 3.1. **We will now own all your copyrights for every song that you have already written or which you will still write.**
- 3.2. **We will forever own these copyrights from the time you are alive, and even 50 years after your death i.e. until it becomes part of the public domain. We will own these copyrights in every corner of the world / universe.**
- 3.3. In this contract, we will be doing certain things for you. We will be responsible for 'maximising the potential' of your song, and we will collect all income and royalties which we earn from 'maximising' your song. Remember, that we can do any of these activities listed below anywhere in the world (or universe):
 - 3.3.1. We are allowed to let others use your song all over the world and we will then collect all royalties every time your song is performed or broadcasted.
 - 3.3.2. We are allowed to print copies of your song (i.e. in the form of a lyric or chord book), and we can sell it to whoever we want.
 - 3.3.3. We are allowed to make and sell as many copies of your song as we want and in whatever type of formats that we want (i.e. CD, vinyl, mp3, mobile app etc.). Even if a format doesn't exist yet, we will still be allowed to make copies and sell it in this unknown format for when it does eventually become discovered. We will also collect all royalties whenever copies are made.
 - 3.3.4. We are allowed to let anyone in the world use your song in their movie, commercial or video etc. and if they want to make a soundtrack of all songs that they used in their video, then we can allow them to feature your song in their soundtrack album too. We will obviously collect all royalties and income which the video producers must pay to us.
 - 3.3.5. **We are allowed to let anyone else use or own your copyrights or we are allowed to give any of the rights you gave us in terms of this contract, to anybody else. You have no say in who we choose to give your copyrights to.**
 - 3.3.6. We are allowed to let anyone create a theatrical play which is based on your song. We will collect all royalties and income which the theatre directors must pay us.

- 3.3.7. We are allowed to let anyone use the title of your song for whatever reason they want.
- 3.3.8. We are allowed to make a book or any piece of literature which is based on your song. We can then print and sell the copies of the book or literature that we made.
- 3.3.9. We are allowed to change your song if we want to. We can change the arrangements, add or remove lyrics, translate it into any language, add more music to it, or pay others to add more music to it. We will own any new version of your song that we make, and you will have no say at all in our new version of your song. But we will make sure that you still get whatever royalties are owed to you.
- 3.3.10. We are allowed to use, or allowed to let anybody else use your name, any photos of you, your biography or anything that will help us market your song. You cannot let anyone else market or promote you. Only we can do it.
- 3.3.11. Remember, that we will collect every cent of money that your song makes. You are not allowed to collect any money. We can also let anybody else collect your money, and you have no say in who we choose. You must not do anything or interfere with anything that we do!
- 3.3.12. If we let someone else collect money, then they will obviously take their share of the money for the work they did in collecting it, and then we will still take our share which we are allowed to take in terms of this contract. You will then get whatever is left over.
- 3.3.13. There might be some type of things that this contract doesn't list, probably because these things don't exist yet, or haven't been discovered, or invented etc. But we will be allowed to use your song, or let anybody else use your song in whatever way we want for this new technology, if or whenever it is discovered / invented.
- 3.3.14. You give us or any person that we give your copyrights to 'power or attorney', so we can act for you, and on your behalf. This means that we can sign any legal document / contracts and we can extend or renew any legal documents / contracts that you already signed. Remember, that as long as this contract is valid, and as long as we own your copyrights, you cannot stop us from signing documents on your behalf.

4. WARRANTIES

You promise to us that:

- 4.1. You own or control all the rights in your song which you are just about to give to us and that no one else has any rights in your song.
- 4.2. Every song you make is original and not copied from someone else. In other words, you promise that we will not get in trouble from anyone else if we use your song.

- 4.3. You are allowed to sign this contract. You cannot sign this contract if you have already signed another contract with another record label / publisher.
- 4.4. You have not given or you will not give any rights in your song to any other person.
- 4.5. No one has given you any type of money (advances) for your songs. In other words, we want to know that only we are allowed to use your royalties to pay off the loan (advance) we gave you.
- 4.6. **If you already signed another contract, and that other person sues us, then you are going to pay us back every cent that we had to pay.**
- 4.7. You will do anything and everything you can to make sure we get all your rights in your song so that we can do whatever we want to make the most money from your song.
- 4.8. You will give us a demo recording of each of your songs that you are still writing.
- 4.9. You will join a collecting society (*i.e. SAMRO, PRS for Music, ASCAP, GEMA etc.*) as soon as possible.
- 4.10. You have spoken to a lawyer about this contract before you signed it.
- 4.11. You are not a minor.

5. SERVICES

We will do these things for you:

- 5.1. Register your song with the proper royalty collecting societies.
- 5.2. Communicate and negotiate with organisations that can help us maximise the amount of money we can make from your songs.
- 5.3. Prepare proper and accurate accounting records.
- 5.4. Communicate, negotiate and finalize contracts with any person who wants to use your songs for their video.
- 5.5. Put and make your songs available on a general music database / library for other publishers to get your songs.
- 5.6. Make sure that we look after your songs properly and that we manage and collect all money which your songs have made.

6. MINIMUM COMMITMENT

- 6.1. In the first 5 years of this contract, you must write and give us two full album with at least 12 new songs on each album. Each album must in total be at least 30 minutes long.
- 6.2. In the first 5 years of this contract, you must also write and give us one EP which must also consist of new songs.
- 6.3. When you have given us the album, you must also write a letter stating that we own the copyrights in that album.
- 6.4. A "new song" is a song which was mostly written while you are bound to this contract. For it to be a new song, at least 80% of the song must have been written after you signed this contract. If you wrote more than 20% of the song before signing this contract, and you finish the rest of the song after you signed this contract, then this is a partial new

song. You will have to give us more partial new songs (almost double) if you want to make sure you meet your obligation in terms of this contract. In other words, you must give us at least 24 partial new songs if you want to make sure you don't get in trouble with us, as we require at least 12 new songs.

- 6.5. No one else must have any rights for the new (or partial new) songs that you write. We must be able to take all money that your song could earn.
- 6.6. When the new song is finished, you must:
 - 6.6.1. Physically or digitally deliver / give us the song or album.
 - 6.6.2. The song must have a name.
 - 6.6.3. You must put all the important information down like who wrote the song, and who the publisher is.
 - 6.6.4. Give us the music lead sheet.
 - 6.6.5. Give us the copyright registration information.
 - 6.6.6. Give us any other information that we want. We won't ask you for any extra info if it could cause you to take longer in writing your new songs.

7. ADVANCES

- 7.1. **We will loan you money, and you cannot pay us back for this loan, but we will eventually get this money back as we will take all your royalties that you would have earned from your songs. We will do this until your debt is repaid.**
- 7.2. If you have breached any term in this contract before we are about to loan the money to you, then we will not loan you any money.
- 7.3. You have to join a collecting society as soon as possible, and you must stay with that society at least until this contract officially ends.
- 7.4. We will pay you \$10 000 as soon as you sign this contract and give us all the copyrights in your songs.
- 7.5. We will give you another \$5000 when you release an album with new songs.
- 7.6. We will give you another \$5000 if your album, or a song from your album sells at least 500 000 copies ('gold status') in USA, UK or Germany.
- 7.7. We will give you another \$5000 if one of your songs is in the Top 40 charts in either USA, UK or Germany.
- 7.8. We will give you another \$20 000 if one of your songs is in the Top 40 annual charts in either USA, UK or Germany.

8. RECORDING COMMITMENT

- 8.1. **We will help pay for your recording costs. But if we feel that the costs are getting too much, or that you are taking too long, then we will stop paying, and you will have to pay the rest.**
- 8.2. **Whether you like it or not, whenever you record a song, then we automatically get the copyrights in that recording. This recording now belongs to us, and even if you somehow**

get the copyrights to your music / song back, we will always keep the copyrights in these recordings.

- 8.3. It goes without saying, that we can do whatever we want with these recordings of your song. But we will still make sure you get your royalties every time your song is played or copies are made.
- 8.4. We will also own all the copyrights in the artwork, photos, and designs or pretty much anything we create which will be used to promote your songs.
- 8.5. When you are writing new songs, we will help you by hiring professionals like producers and session musicians etc. We value your creative input, but we also know what we are doing, so we, or people we hire, will give you advice on how to make your songs better. You might disagree, but at the end of the day, we have the final say.

9. ROYALTIES

- 9.1. If this contract doesn't say how a specific type of royalty should be divided or paid, then the collecting society that you are part of will get to say how that royalty should be paid out. But by default, every time a digital or physical copy of your song is made, you will get 40% of the royalties and we will get 60% of those royalties. Every time your song is performed or broadcasted in public, then you will get 45% of the royalties and we will get 55% of those royalties.
- 9.2. Every time we sell one of your albums or songs, we will give you only 9% of what we earned from selling that album or song.
- 9.3. Every time we sell a printed music sheet of your song, we will give you only 15% of what earned from selling the printed sheet.
- 9.4. Every time we let someone use your song for their video / movie / commercial etc, then we will give you 50% of the money they paid us to use your song.
- 9.5. If this contract doesn't list any specific type of amount and how it will be divided, then you can assume we will pay you 50% of whatever amount we earn.
- 9.6. Remember that we must receive all the income. If someone pays you instead of us, then you must pay us our share of the money that we would have gotten if we were paid instead of you.
- 9.7. Remember that even if your song is used by someone, we will only pay you your share if we get paid. If we let someone use it for free, then you will not be paid anything.
- 9.8. The royalties we pay you are the final amounts and you must just accept that what we pay you is correct.

10. PROMOTIONAL MATERIAL

- 10.1. We are allowed to give as many free copies of your songs / albums as we want. Obviously you won't get any royalties or money from the copies we give away, but don't worry, as we will only give away free copies to important people that might be able to help make us more money.

- 10.2. You can also give away some free copies, but only a few. You are allowed to give away 10 albums a year.
- 10.3. If you give away more than 10 albums in a year, then we will not pay you any money or royalties until all those extra albums you gave away have been paid for.

11. PERFORMING RIGHTS

- 11.1. Your collecting society, that you are a member of, will pay your 45% share in the performance rights to you directly. The other 55% will be paid to us directly from the same society.
- 11.2. We will try our best to register your songs with the proper societies around the world as soon as we get your songs.
- 11.3. We will try our best to look after your songs properly and to collect as much money as we can.

12. ACCOUNTING

- 12.1. We will make sure that we keep accurate accounting records for all the money we got from your songs.
- 12.2. At the end of March and September, we will send you a detailed statement of all the money your songs made during the year. We will also give you money if we see that we still owe you some money.
- 12.3. The statements that we send you are correct, and you must just accept that these statements are correct. You may not raise any issues or inspect these statements unless you give us a written letter that states exactly why you want to inspect our accounting books. You only have 2 years to send this letter otherwise you cannot look at the books after that.
- 12.4. We only have to pay you royalties for your songs when the loan we gave you has been fully paid off.
- 12.5. If you want to make sure any of the accounting statements we have sent you are correct, then you have to hire a professional accounting firm to look at our accounting records. You will pay all the fees for the accounting firm, and the firm is only allowed to look at our books once a year. If you decide to go this route, then you must inform us 60 days before the firm inspects our accounting records.
- 12.6. You / your firm must send us a professional letterhead, and you (and the firm) must sign a confidentiality / non-disclosure agreement. The firm may only look at our accounting records for your songs, and they may only look at them during normal business hours.
- 12.7. If your accounting firm finds that our accounting records are wrong and that we have not paid you at least 10% of what we actually owe you, then we will pay for your accounting firm's professional fees, but only up to \$5000.
- 12.8. Your accounting firm has 18 months to look at our accounting records, otherwise they can't look at them ever again.

- 12.9. We might have to pay you even less royalties if the law or government wants us to take certain amounts from your royalties. If we do have to take more money from your royalties, then we will let you know of this first, in writing. If we have paid too much tax and the tax society now wants to pay us back, then we will pay you a fair share of the amount that is owed to you. If the tax society sends us documents which inform us that they are keeping money that belongs to you, then we will send you all documents that we received from them, and we will try help you get your money back.
- 12.10. All money or royalties that we pay you do not include VAT. We will pay you VAT amounts only if you send us proper invoices with your VAT number.

13. PROCEEDINGS

- 13.1. You, whether you like it or not, will have no say in legal proceedings, and if we think someone is using your song in a way that we don't like, we will sue them on your behalf. As for the legal fees, we will talk with you before we sue anyone to discuss who will pay what amounts. If we win the court case, we will share with you whatever money the court grants us.
- 13.2. If someone sues us because of you or your song, then we will defend the matter, and either go to court or try settle the matter. We will inform you, in writing, if someone does decide to sue us. Just know that we will not be paying you any money / royalties whilst we are in a legal battle. We will use the money that we would have paid you to pay for our legal fees, and to put some extra money in our account in case we lose some money because of the legal battle.

14. ASSIGNMENT AND LICENSING

- 14.1. This contract gives us certain rights and responsibilities, but we can give any of those rights and responsibilities to anyone we want. You have no say in what we give or to who we give it to.
- 14.2. We can also give anyone your personal information as long as that personal information is important for the other people to do their jobs properly.
- 14.3. You cannot give any of your rights or responsibilities to anyone. This contract is meant for you, and only you.

15. NOTICES

- 15.1. Sometimes we might send you written letters or notices (probably legal letters). We will send all these letters to your home address, and we will assume that you have read the letter as soon as it reaches your home address.

16. VARIATION AND AMENDMENT

- 16.1. This contract can only be changed if we both agree on the change, write it down, and sign it.

17. CONSTRUCTION OF ENTIRE CONTRACT

- 17.1. What you read in this contract is what you get. There are no secret or added terms that will bind you or us.
- 17.2. This contract does not now make us a partnership or some type of joint business organisation.

18. RESTRAINT OF TRADE

- 18.1. For as long as you are signed with us, and are bound to this contract, you will not do anything for anyone that could even possibly compete with us. We want to make sure that only we get to use you and your songs.
- 18.2. When this contract does officially end, then you still cannot do anything for anyone, anywhere in the world / universe for at least 3 years after the contract has already ended.
- 18.3. You also cannot re-record any songs that you recorded with us, anywhere else.

19. SEVERANCE

- 19.1. Some courts might not like the terms in this contract. If the courts decide that one or more of the terms are invalid, then we will take the problematic terms out, but the rest of the contract will still be valid, and you will still be bound by it.

20. WAIVER

- 20.1. It could happen that we don't rely on a certain term in this contract, or that we sometimes let you get away when you don't do something you should. But just because we are being lenient, does not mean that we are not allowed to force you to comply with those terms.

21. PROPER LAW

- 21.1. No matter what country you come from, the laws of our country will always apply, and if there is some legal dispute between you and us, then you will have to come to the courts in our country to fight it.

22. TERMINATION

- 22.1. We will only let you terminate this contract before it has come to its official end when we have gone bankrupt. We will not let you terminate this contract for any other reason.

23. BREACH

- 23.1. If you breach any term in this contract, we can take you to court and either force to you comply, or make you pay us money that we lost out because of you. You will pay for all legal fees that we incurred.

23.2. If we breach an important term in this contract, then you must tell us, in writing, that we have breached a term, and you must give us a month to fix the mistake. If we haven't fixed the mistake, then you can take us to court.

24. CONSENTS

24.1. Sometimes we will need you to approve or give us permission to do something. When that happens, we will send you a letter (probably by email) and then you must give us your approval. You must give us your approval as soon as possible, otherwise if you take longer than 7 days, we will just assume that you approved. You can only refuse to give us your approval if you have a really good reason for it.

24.2. There are some situations where we will always ask for your permission first, these situations are:

24.2.1. When we want to use your songs in an X-Rated movie or TV show.

24.2.2. When we want to use your songs in a commercial.

24.2.3. When we want to let someone turn your song into a theatrical play.

24.2.4. When we want to change the actual music in your song.

24.2.5. When we want to use the title of your song for something else not related to your song.

25. NON-DISCLOSURE

25.1. This contract must be kept a secret. You cannot tell anyone about anything in this contract. If you really need to tell someone about something in this contract, then you have to ask for our permission first.

SIGNED AT [location] ON THIS [date] DAY OF [month] 2017

OUR SIGNATURE

YOUR SIGNATURE

OUR WITNESSES:

YOUR WITNESSES:

