

Controlled Compositions Clauses and Frozen Mechanicals

“BMG announced they will be rolling back at least some aspects of what’s called ‘controlled compositions’ clauses in (presumably) their record deals. This is good, and is another example of how BMG is setting the gold standard for courageously defending their writers,” writes Chris Castle in *Music Technology Policy*.

“Let’s understand what ‘controlled compositions’ clauses actually mean and don’t mean. The basic concept is that an artist signing to a label grants a mechanical license to the label for the songs they record that the label exploits.”

“... this only covers records exploited by the label. It does not cover any streaming service, like Spotify or Apple, both of which have to obtain mechanical licenses under an NOI or soon under the blanket in the Music Modernization Act giveaway.”

“Mechanical licenses and mechanical royalty payments by record companies are actually much less prone to error than those made by streaming services. Mechanical royalty payments are much more likely to get paid timely for a very simple reason—the label needs the artist/songwriter to cooperate...The same cannot be said of Spotify ...”

Read the article.