The Los Angeles Institute for the Humanities presents

Don Franzen on

“The Digital Revolution in the Music Industry”

Friday, February 1
Doheny Library 241
Noon - 2 PM

For nearly 100 years the music industry thrived by selling music through discs and tapes. Then with the new millennium, a revolution shook the business to its core: the personal computer and the ability to copy music files ad infinitum at no cost. Will this be the end of music business or a tormented new beginning? Entertainment lawyer Don Franzen will discuss the good, the bad, and the ugly of the digital revolution in the music industry.

Please RSVP to lahuman@usc.edu by January 29.
CONGRESS PASSES LEGISLATION TO DEAL WITH THE GRAMMOPHONE …

§ 115. Scope of exclusive rights in nondramatic musical works: Compulsory license for making and distributing phonorecords

In the case of nondramatic musical works, the exclusive rights . . . to make and to distribute phonorecords of such works, are subject to compulsory licensing under the conditions specified by this section.

(a) Availability and Scope of Compulsory License.—

(I) When phonorecords of a nondramatic musical work have been distributed to the public in the United States under the authority of the copyright owner, any other person, including those who make phonorecords or digital phonorecord deliveries, may, by complying with the provisions of this section, obtain a compulsory license to make and distribute phonorecords of the work.
CONGRESS PASSES LEGISLATION TO DEAL WITH THE DIGITAL WORLD ....


- The 1994 Uruguay Round of the General Agreement on Tariffs and Trade, incorporating provisions concerning the trade-related aspects of intellectual property rights (the so-called TRIPS provisions), 33 I.L.M. 136 (1994), which added to, and provided for, enforcement via the World Trade Organization of the intellectual property protections previously provided under the Berne Convention and other international agreements.


- The No Electronic Theft Act, Pub. L. No. 105–147, 111 Stat. 2678 (1997), enacted in response to the decision in United States v. La Macchia, 871 F. Supp. 535 (D. Mass.1994) (MIT student uploader acquitted of wire fraud charge by reason of lack of profit motive) which made it a crime to willfully upload copyrighted materials to the Internet (with very low minimum thresholds; one or more uploads in a 180-day period of copyrighted works having an aggregate retail value of $1,000 or more can result in a fine and/or imprisonment, which can be up to three years if the retail value exceeds $2,500, with potential imprisonment for up to six years for a second or subsequent offense) regardless of the presence or absence of a profit motive. The first conviction under this statute was recorded in December 1999.

- The Digital Millennium Copyright Act of 1998, Pub. L. No. 105–304, 112 Stat. 28601 (1998) (amended Pub. L. No. 106–113 §1000 (a)(9) (the “DMCA”), among other things, bound the United States to the 1996 World Intellectual Property Organization (WIPO) treaties and expanded the scope of the performance right in sound recordings (while at the same time providing compulsory licensing to “streaming” stations). In addition, the DMCA establishes a potential “safe harbor” for an ISP when copyright infringement is committed by a third party through the use of the ISP's facilities.
Appeals court sides with RIAA, Jammie Thomas owes $222,000

The U.S. Court of Appeals for the Eighth Circuit vacates a lower court's decision and rules that Thomas-Rasset, found by a judge to have lied about illegally uploading music, must pay the top four labels $222,000.

Downloader FINED
Long Tail - General
Long Tail - Music

The iTunes Marketplace

- Justin Timberlake
- Madonna
- Tom Petty
- Fairly Popular Band
- Kinda Popular Band
- Not a Popular Band

iTunes Music Sales
5k-100k downloads/week
10k-100k downloads/week
MADONNA
Hung up
As Music Streaming Grows, Royalties Slow to a Trickle

By BEN SISARIO  New York Times Published: January 28, 2013

... the numbers painted a stark picture of what it is like to be a working musician these days. After [cellist Zoe Keating’s] songs had been played more than 1.5 million times on Pandora over six months, she earned $1,652.74. On Spotify, 131,000 plays last year netted just $547.71, or an average of 0.42 cent a play.
MIDEM Panel Explores '$100 Billion Music Business' With YouTube, Spotify, Samsung, Sony Execs

The music business was valued at $23.3 billion worldwide in 2011, compared to $36.7 billion in 1999, according to the IFPI's annual report. But it could still become a $100 billion business by 2020 -- if the technology platforms that leverage music begin to create new revenue models that share some of their wealth with the music industry.

Billboard Biz January 26, 2013 3:19 PM EST
DOLLAR AMOUNTS OF UNITS SHIPPED—
IN BILLIONS (1980 to 2010)

The Future

2020

CD CD single  Cassette Cassette single  LP EP Vinyl single  Download album single