
Certificate in Artist Management

Contracts and Negotiations

Contract – A legally binding agreement between two or more parties that creates enforceable rights and obligations. In artist management, contracts formalise relationships such as recording deals, touring agreements, and endorsement partnerships. A contract must contain the essential elements of offer, acceptance, consideration, capacity, and legality. Example: An artist signs a recording contract with a label that outlines album delivery dates, royalty rates, and marketing commitments. A common challenge is ensuring that all parties fully understand the obligations, especially when clauses are drafted in legal jargon unfamiliar to artists.

Offer – The initial proposal made by one party to another, indicating a willingness to enter into a contract on specific terms. The offer must be clear, communicated, and capable of acceptance. Example: A manager presents a tour sponsorship proposal to a brand, specifying the number of shows, audience demographics, and exposure benefits. If the brand modifies the terms, it creates a counter-offer rather than an acceptance, which can lead to negotiation delays.

Acceptance – The unequivocal agreement to the terms of an offer, resulting in a contract when communicated to the offeror. Acceptance must mirror the offer; any variation constitutes a counter-offer. Example: An artist signs and returns a signed copy of a performance contract, thereby accepting the manager's terms for a festival appearance. Challenges arise when acceptance is delayed, leading to the offer expiring or being revoked.

Consideration – Something of value exchanged between parties, such as money, services, or rights. Consideration distinguishes a contract from a gratuitous promise. Example: A record label provides an advance payment to the artist in exchange for the exclusive right to release the artist's recordings. A frequent pitfall is undervaluing non-monetary consideration, such as promotional support, which can affect perceived fairness.

Capacity – The legal ability of a party to enter into a contract. Parties must be of sound mind and, in many jurisdictions, of legal age. Example: A minor artist may lack capacity to sign a long-term publishing deal, requiring a guardian's consent. Managers must verify capacity to avoid future disputes over contract enforceability.

Legality – The requirement that the subject matter of a contract be lawful. Contracts for illegal activities are void and unenforceable. Example: A contract that includes clauses for tax evasion or illicit substance use is invalid. Ensuring compliance with industry regulations, such as copyright law, is a critical challenge for managers.

Mutual Assent – The meeting of the minds where both parties agree to the contract's terms. This is demonstrated through offer and acceptance. Example: Both the artist and the venue agree on the performance date, fee, and technical rider, signifying mutual assent. Misunderstandings can arise if parties

interpret terms differently, leading to disputes.

Breach – The failure to perform any contractual obligation, either partially or completely. Breaches can be material (significant) or minor. Example: An artist fails to deliver a promised number of performances, constituting a breach of a touring contract. Remedies may include damages, specific performance, or contract termination, but assessing the impact can be complex.

Remedies – Legal solutions available to the non-breaching party, including monetary damages, specific performance, rescission, or injunction. Example: If a label breaches a royalty payment schedule, the artist may seek damages for lost income. Determining appropriate remedies often requires legal counsel and can be costly.

Indemnity – A clause whereby one party agrees to compensate the other for losses arising from specified events. In artist management, indemnity provisions protect managers from liability caused by the artist's actions. Example: A manager's contract includes an indemnity clause that the artist will cover any legal costs resulting from a performance injury. Negotiating the scope of indemnity is challenging, as parties seek to balance protection with fairness.

Force Majeure – A clause that excuses performance when an unforeseeable event beyond a party's control prevents fulfillment, such as natural disasters, war, or pandemics. Example: A concert is cancelled due to a hurricane; the force majeure clause relieves both artist and promoter from liability. Recent global events have highlighted the need for precise force majeure language to address closures and travel restrictions.

Exclusivity – A provision that restricts one party from entering into similar agreements with competitors for a specified period or territory. Example: A record label may require an artist to record exclusively for them for five years. While exclusivity can secure investment, it can also limit the artist's flexibility and future opportunities, making negotiation essential.

Representation – Statements of fact made by one party that induce the other to enter the contract. Misrepresentations can be grounds for rescission or damages. Example: A manager claims the artist has a certain number of followers, influencing a brand partnership. If the claim is false, the brand may terminate the agreement and seek compensation.

Warranty – A promise that a particular fact or condition is true, often relating to the quality or performance of goods/services. Example: A venue warrants that its sound system meets industry standards. Breach of warranty can lead to damages or contract termination, and parties must define warranty scope clearly.

Confidentiality – An obligation to keep certain information private, typically covered by a non-disclosure clause. Example: A manager shares upcoming project details with a marketing agency under a confidentiality agreement. Violations can result in injunctive relief or monetary penalties, emphasizing the importance of robust confidentiality provisions.

Non-Disclosure Agreement (NDA) – A specific contract that protects confidential information from being disclosed to third parties. NDAs are common before negotiations to safeguard proprietary ideas. Example: Before discussing a new album concept, the artist and producer sign an NDA. Challenges include defining

what constitutes confidential information and the duration of protection.

Termination Clause – A provision outlining the conditions under which a contract may be ended by either party, including notice periods and consequences. Example: A management contract may be terminated by either party with 90 days' written notice. Negotiating termination rights is crucial to avoid being locked into an unfavorable relationship.

Arbitration – A dispute-resolution method where an independent arbitrator renders a binding decision, often faster and less public than litigation. Example: A royalty dispute is resolved through arbitration under the contract's arbitration clause. While arbitration can be efficient, parties may lose the right to appeal, making clause language vital.

Mediation – A voluntary, non-binding process where a neutral mediator assists parties in reaching a mutually acceptable solution. Example: A manager and artist use mediation to resolve a disagreement over touring expenses. Mediation preserves relationships but may not produce a definitive resolution if parties remain entrenched.

Jurisdiction – The legal authority of a particular court to hear a case. Contracts often specify which jurisdiction's laws will govern any disputes. Example: A contract states that any dispute will be resolved in the courts of New York. Selecting an appropriate jurisdiction can affect the cost and outcome of litigation.

Governing Law – The set of legal rules that will apply to interpret and enforce the contract. Example: A cross-border licensing agreement may specify that English law governs the contract. Differences between legal systems can create challenges, especially regarding copyright and royalty calculations.

Performance – The fulfillment of contractual obligations by a party. In artist contracts, performance may refer to delivering a show, recording a track, or providing promotional services. Example: An artist's performance under a live-stream contract includes delivering a 60-minute set on a specified date. Monitoring performance metrics is essential for assessing compliance.

Assignment – The transfer of contractual rights or obligations to a third party. Assignments may be permitted or prohibited by contract. Example: A manager assigns the right to collect royalties to a specialized accounting firm. Challenges arise when the original party retains liability after an assignment.

Novation – The substitution of a new contract that replaces an existing one, transferring both rights and obligations to a new party. Example: An artist's publishing contract is novated to a new label after a merger. Novation requires consent from all original parties and can be complex to negotiate.

Amendment – A change or addition to an existing contract, usually documented in writing and signed by all parties. Example: The parties amend the royalty rate from 12% to 15% after renegotiation. Keeping track of multiple amendments can create confusion and increase administrative burden.

Escrow – A financial arrangement where a third party holds funds until contractual conditions are met. Example: An advance payment is placed in escrow until the artist delivers the master recordings. Escrow protects both parties but adds administrative steps and potential delays.

Royalty – A payment made to the owner of a right (e.G., Copyright) based on the exploitation of that right, often expressed as a percentage of revenue. Example: An artist receives a 10% royalty on digital sales of their album. Calculating royalties accurately requires clear accounting definitions and audit rights.

Advance – A pre-payment against future royalties, typically recouped from the artist's earnings before further payments are made. Example: A label provides a \$50,000 advance for an upcoming album; the advance is recouped from the artist's royalty stream. Managing recoupment schedules is a frequent source of tension.

Recoupment – The process by which a label or other party recovers advances, expenses, or other costs from the artist's earnings before profit sharing. Example: Marketing costs are recouped from the artist's royalty income before the artist receives additional payments. Transparent recoupment clauses help prevent disputes over earnings.

Licensing – The granting of permission to use intellectual property (e.G., Music, images) under defined terms, often in exchange for royalties or a flat fee. Example: A clothing brand obtains a license to use an artist's image on T-shirts. Negotiating scope, duration, and geographic territory is essential to protect the artist's brand.

Publishing – The business of managing and exploiting musical compositions, including collection of performance royalties, mechanical royalties, and synchronization fees. Example: A publishing agreement assigns the right to administer the artist's songs to a publishing company. Understanding the split between writer's share and publisher's share is critical for revenue planning.

Mechanical Rights – The right to reproduce and distribute a musical composition in a tangible form (e.G., CDs, digital downloads). Example: A record label pays mechanical royalties to the songwriter for each physical copy sold. Mechanical rates vary by territory, and compliance can be administratively demanding.

Synchronization (Sync) License – Permission to pair a musical composition with visual media (e.G., Film, TV, advertisement). Example: A filmmaker obtains a sync license to use a song in a commercial. Sync fees can be substantial, and negotiating exclusivity or duration clauses impacts future uses.

Performance Rights – The right to publicly perform a musical composition, generating royalties collected by performance rights organisations (PROs). Example: An artist's song is played on radio, generating performance royalties collected by ASCAP. Managers must ensure proper registration with PROs to capture earnings.

Merchandising – The sale of branded products (e.G., Apparel, accessories) associated with an artist's image or name. Example: A merchandising agreement grants a vendor rights to produce and sell artist-branded hats. Contracts must address royalty rates, quality control, and brand protection.

Image Rights – The right to control the commercial use of an artist's likeness, name, and persona. Example: An advertisement campaign requires a release granting the advertiser permission to use the artist's image. Protecting image rights is vital to prevent unauthorized exploitation.

Publicity Rights – Similar to image rights, focusing on the use of an artist’s identity in promotional contexts. Example: A magazine article features the artist under a publicity rights agreement. Over-broad clauses can lead to loss of control over personal branding.

Right of First Refusal (ROFR) – A clause giving a party the chance to match any third-party offer before the original party can accept it. Example: A label includes a ROFR on the artist’s future recording contracts. ROFR can restrict the artist’s ability to negotiate better terms elsewhere, making it a contentious point.

Option – A contractual right to enter into a future agreement under pre-agreed terms, often used for album cycles or touring deals. Example: A label holds an option to sign the artist for a second album after the first is delivered. Options must be clearly defined in duration and conditions to avoid ambiguity.

Holdback – A portion of funds retained by a party until certain obligations are fulfilled, such as royalty audits or final delivery of assets. Example: A label holds back 10% of the advance until the master recordings are approved. Holdbacks protect against incomplete performance but can create cash-flow concerns for artists.

Milestone – Specific performance targets or deliverables that trigger payments or other contractual benefits. Example: An advance is released in installments upon completion of recording, mixing, and mastering milestones. Clear milestone definitions reduce disputes over progress assessments.

Deliverables – The tangible or intangible items a party must provide under a contract, such as recordings, videos, or marketing assets. Example: The contract lists master recordings, artwork, and press releases as deliverables. Failure to meet deliverable specifications often leads to breach claims.

Scope – The extent of rights granted or obligations required, defining what is included and excluded. Example: A licensing agreement specifies the scope as “global, non-exclusive, digital distribution only.” Inadequate scope definition can cause over-reach or unintended limitations.

Indemnification – A provision where one party agrees to compensate the other for losses arising from specific claims or liabilities. Example: The artist indemnifies the promoter against claims stemming from audience injuries caused by the artist’s performance. Drafting indemnification clauses requires balancing risk allocation.

Limitation of Liability – A clause that caps the amount of damages one party can recover from the other, often excluding consequential damages. Example: The contract limits the manager’s liability to the amount of fees paid. While protective, overly restrictive limits can be deemed unreasonable and unenforceable.

Non-Compete – A restriction preventing a party from engaging in competing activities for a certain period or within a defined geographic area. Example: A manager’s agreement includes a non-compete clause that bars the manager from representing rival artists for six months after termination. Enforcement varies by jurisdiction and may be challenged if overly broad.

Non-Solicitation – A clause prohibiting a party from poaching the other party’s clients, employees, or collaborators. Example: After a management contract ends, the manager agrees not to solicit the artist’s

existing business contacts for a year. Violations can lead to damages, but monitoring compliance can be difficult.

Hold-Harmless – Similar to indemnification, this clause states that one party will not hold the other liable for certain claims. Example: The venue includes a hold-harmless provision protecting the artist from liability for equipment damage caused by third-party vendors. Ambiguities in hold-harmless language can create unintended exposure.

Assignment of Rights – The transfer of ownership or usage rights from one party to another, often used for publishing or licensing. Example: The artist assigns the publishing rights of a song to a publishing company. Assignment must be documented and may require consent from co-writers.

Reversion – A clause that returns rights to the original owner after a set period or condition. Example: After ten years, the master recording rights revert to the artist. Reversion clauses protect long-term interests but may affect the initial value of the contract.

Audit Rights – The right to inspect and verify the other party's accounts and records related to royalty calculations or other financial matters. Example: The artist's contract grants audit rights to review the label's royalty statements annually. Exercising audit rights can be costly and may strain relationships.

Royalty Rate – The percentage of revenue that the rights holder receives, often expressed as a fraction of gross or net sales. Example: A 12% royalty rate on digital streams is negotiated for the artist's new EP. Determining whether the royalty is calculated on gross or net revenue is a critical negotiation point.

Gross vs. Net – The distinction between total revenue (gross) and revenue after deductions (net). Royalty calculations based on net revenue often result in lower payouts due to deductions for marketing, distribution, or overhead. Example: A contract that pays royalties on net revenue after deducting "distribution fees" can reduce the artist's earnings significantly. Clarifying deduction categories is essential to avoid hidden costs.

Advance Recoupment Schedule – The timeline and method by which advances are recouped from future earnings. Example: The label recoups the \$30,000 advance from the artist's royalty earnings over the first two years. Transparent schedules help the artist anticipate cash flow and plan expenses.

Territory – The geographic area where rights are granted or obligations apply. Example: A licensing agreement may be limited to "North America and Europe." Restricting territory can preserve future expansion opportunities, but overly narrow territories may limit revenue potential.

Term – The duration for which a contract remains in effect, often expressed in years or specific dates. Example: A management contract has a three-year term with an automatic renewal clause. Negotiating renewal triggers and extension options prevents unintended extensions.

Renewal Clause – A provision that automatically extends the contract term unless notice is given to terminate. Example: The contract renews for an additional year unless either party provides 60 days' notice prior to expiration. Renewal clauses must be balanced to protect both parties' interests.

Termination for Cause – The right to end a contract due to a material breach or specific events defined in the agreement. Example: The manager may terminate the contract if the artist repeatedly fails to meet scheduled rehearsals. Defining “cause” precisely reduces ambiguity and potential litigation.

Termination for Convenience – The ability of a party to end the contract without cause, usually with a notice period and possibly a termination fee. Example: The label may terminate the recording agreement for convenience with 90 days’ notice and payment of the remaining advance. This clause provides flexibility but can be costly.

Force Majeure Event – Specific events listed in the contract that excuse performance, such as natural disasters, acts of terrorism, or pandemics. Example: The contract lists “government-mandated lockdowns” as a force majeure event, allowing either party to suspend obligations without penalty. Precise language prevents disputes over whether an event qualifies.

Release – A document in which a party waives rights to pursue legal action or claims, often used after settlement. Example: After resolving a royalty dispute, both parties sign a release discharging each other from further claims. Drafting releases requires careful consideration to ensure all potential claims are covered.

Counter-Offer – A response to an offer that modifies the terms, effectively rejecting the original offer and proposing new ones. Example: The artist proposes a higher royalty rate, creating a counter-offer. Counter-offers can restart negotiations and may lead to deadlock if parties become entrenched.

Best Alternative to a Negotiated Agreement (BATNA) – The most advantageous alternative action a party can take if negotiations fail. Knowing one’s BATNA strengthens negotiating position. Example: An artist’s BATNA may be signing with an independent label if the major label’s offer is unsatisfactory. Accurately assessing BATNA is essential for realistic expectations.

Zone of Possible Agreement (ZOPA) – The range in which two parties’ interests overlap, allowing a mutually acceptable deal. Example: The label’s maximum royalty offer is 15% while the artist’s minimum acceptable rate is 12%; the ZOPA lies between these percentages. Identifying ZOPA early helps focus negotiations on realistic targets.

Leverage – The power to influence the other party’s decisions, derived from resources, alternatives, or unique value. Example: An artist with a large, engaged fanbase has strong leverage in negotiations with a brand. Leveraging strengths without overplaying them requires strategic communication.

Anchoring – The cognitive bias where the first number mentioned in a negotiation heavily influences subsequent discussions. Example: The manager starts negotiations by proposing a 20% royalty, anchoring the discussion around that figure. Skilled negotiators may counter-anchor to shift expectations.

Concession – A voluntary reduction or modification of a demand to move toward agreement. Example: The label concedes on the marketing budget, increasing it from \$10,000 to \$15,000 to meet the artist’s request. Concessions should be documented and reciprocated to maintain balance.

Walk-Away Point – The threshold beyond which a party will not proceed with the agreement, effectively ending negotiations. Example: The artist’s walk-away point is a royalty rate below 8%; any offer beneath that is rejected outright. Knowing one’s walk-away point prevents accepting unfavorable terms.

Integrative Negotiation – A collaborative approach that seeks win-win outcomes by expanding the value pie, often through creative problem solving. Example: The manager and venue jointly develop a revenue-sharing model that benefits both parties beyond a fixed fee. Integrative tactics require openness and trust.

Distributive Negotiation – A competitive approach where parties divide a fixed amount of value, often resulting in win-lose outcomes. Example: Negotiating a single royalty percentage without considering ancillary benefits is a distributive scenario. Over-reliance on distributive tactics can damage long-term relationships.

Settlement – The resolution of a dispute through agreement rather than litigation, often involving compromises. Example: The artist and label settle a royalty disagreement by agreeing on a lump-sum payment. Settlements can preserve relationships but may involve confidential terms.

Good Faith – The legal principle requiring parties to act honestly and fairly in the performance and enforcement of contracts. Example: Both parties must negotiate in good faith, meaning they cannot misrepresent material facts. Breaches of good faith can lead to damages or rescission.

Due Diligence – The comprehensive investigation and analysis performed before entering a contract, to assess risks and verify information. Example: The manager conducts due diligence on a potential sponsor’s financial stability and reputation. Skipping due diligence can result in costly surprises later.

Conflicts of Interest – Situations where a party’s personal or financial interests could compromise their objectivity. Example: A manager also represents a competing artist, creating a conflict of interest when negotiating venue bookings. Disclosure and mitigation strategies are required to maintain trust.

Standard Form Contract – A pre-written contract used repeatedly with minor modifications, often favouring the drafting party. Example: Many venues use a standard performance contract that the artist must sign. While efficient, standard forms may contain unfavorable terms that need negotiation.

Boilerplate – Standardised contractual language that appears in many agreements, covering routine matters like severability and entire agreement clauses. Example: The “Entire Agreement” boilerplate states that the written contract supersedes all prior discussions. Boilerplate clauses are essential but should be reviewed for relevance.

Severability – A clause stating that if any part of the contract is found invalid, the remainder remains enforceable. Example: If a non-compete clause is deemed unreasonable, the rest of the agreement still stands. Severability protects the contract’s overall integrity.

Entire Agreement – A provision confirming that the written contract represents the complete understanding between parties, superseding oral or prior written statements. Example: The artist cannot claim that verbal

promises about extra marketing exist beyond the signed contract. This clause helps prevent side-letter disputes.

Counter-Signature – The act of signing a document to indicate agreement, often required when multiple parties sign separate copies. Example: After the manager signs the contract, the artist provides a counter-signature to finalize it. Missing a counter-signature can render a contract ineffective.

Counter-Offer vs. Acceptance – Distinguishing whether a response modifies the original terms (counter-offer) or agrees to them (acceptance). Example: The artist's reply "We accept the royalty rate but request a higher marketing budget" is a counter-offer because it adds a new term. Understanding this distinction prevents accidental contract formation.

Escalation Clause – A provision that automatically adjusts financial terms (e.G., Royalties) based on predetermined triggers like inflation or sales milestones. Example: The royalty rate escalates from 10% to 12% once the album reaches 500,000 streams. Escalation clauses protect parties from market changes but add complexity.

Hold-Back Period – The time interval during which certain funds or rights are retained before final release. This period safeguards against incomplete deliverables.

Right of First Negotiation – A clause granting a party the first opportunity to negotiate a future agreement before the owner can approach third parties. Example: The manager has a right of first negotiation on any future merchandising deals. This right can limit the artist's ability to seek better terms elsewhere.

Performance Bond – A guarantee, often issued by a bank, ensuring that a contractor will fulfill obligations or compensate the obligee. Example: A venue may require a performance bond from the artist to cover potential cancellation costs. Bonds add financial security but increase upfront costs.

Indemnity Limit – The maximum amount a party will be required to pay under an indemnity clause. Example: The indemnity is limited to the total fees paid under the contract. Setting limits prevents unlimited exposure but must be reasonable to be enforceable.

Confidential Information – Any non-public data exchanged between parties, such as financial projections, marketing strategies, or unreleased material. Example: The label's upcoming release schedule is considered confidential. Defining what constitutes confidential information is crucial to enforce NDAs.

Non-Disclosure Period – The duration for which confidentiality obligations remain in effect after the contract ends. Example: The NDA stipulates a non-disclosure period of three years post-termination. Extending the period can protect long-term strategic interests but may be viewed as restrictive.

Assignment Restriction – A clause that limits a party's ability to transfer rights or obligations to another entity without consent. Example: The contract prohibits the artist from assigning the publishing rights to another publisher without the label's approval. This protects the original party's interests but can hinder flexibility.

Third-Party Beneficiary – A person or entity that, although not a signatory, has rights under the contract.

Example: A songwriter may be a third-party beneficiary of a publishing agreement. Recognising third-party rights helps avoid unintended liabilities.

Waiver – The intentional relinquishment of a known right. Example: The artist waives the right to claim additional royalties for future digital formats. Waivers must be explicit and often require written confirmation.

Change of Control – A clause triggered by a significant shift in ownership or management of a party, often affecting contract rights. Example: If the label is acquired, the artist may have the right to terminate the agreement. Change-of-control provisions protect parties from unforeseen corporate restructures.

Forceful Termination – A clause allowing immediate contract termination due to specific serious breaches, such as fraud or illegal activity. Example: The contract permits forceful termination if the artist is convicted of a felony related to performance safety. This clause provides rapid protection but must be narrowly defined to avoid abuse.

Credit Allocation – The distribution of credit for creative contributions, affecting royalty splits and reputation. Example: A songwriting credit allocation determines each writer's share of publishing royalties. Misallocation can lead to disputes and legal action.

Revenue Share – The proportion of income each party receives from a particular source, such as streaming, merchandise, or ticket sales. Example: The management agreement outlines a 20% revenue share for the manager from net touring profits. Transparent revenue-share calculations are vital for trust.

Gross Receipts – Total income before deductions; used as a basis for calculating percentages in contracts. Example: A sponsorship agreement pays 5% of gross receipts from event ticket sales. Parties must agree on what expenses, if any, are excluded from gross receipts.

Net Receipts – Income after allowable deductions; often results in lower payouts than gross receipts. Example: The label calculates royalties on net receipts after deducting distribution fees. Negotiating which deductions are permissible is a frequent point of contention.

Audit Clause – A provision granting the right to examine financial records related to contract performance, usually for royalty verification. Example: The artist may audit the label's accounting annually with a 30-day notice. Audit clauses must specify the scope, timing, and cost responsibilities.

Escrow Account – A neutral account where funds are held until contractual conditions are met. Example: An advance is placed in escrow until the album's master files are delivered and approved. Escrow provides security but may delay cash flow for the artist.

Hold-Back Clause – Similar to escrow, this clause retains a portion of payments until certain conditions are satisfied. Example: The label withholds 15% of the advance until the album's promotional campaign is completed. Hold-backs protect against non-performance but must be reasonable.

Option Period – A defined timeframe during which a party may exercise a pre-negotiated right, such as extending a contract. Example: The label has a six-month option period to renew the recording contract for

an additional album. Clear option periods prevent disputes over timing.

Royalty Base – The amount of revenue on which royalties are calculated, which may be gross sales, net sales, or another metric. Example: The royalty base is defined as “net sales after deducting discounts and returns.” Selecting an appropriate royalty base is critical for fair compensation.

Mechanical License – Permission to reproduce and distribute a musical composition in a physical or digital format, typically obtained through agencies like the Harry Fox Agency. Example: The label secures a mechanical license to produce 10,000 copies of a single. Failure to obtain proper licenses can lead to infringement claims.

Synchronization License Fee – The one-time payment for using a song in visual media, often negotiated separately from performance royalties. Example: A film studio pays a \$20,000 sync license fee for a song’s use in a trailer. Negotiating sync fees involves assessing the media’s reach and budget.

Public Performance License – Authorization for broadcasting or playing a composition publicly, managed by performance rights organisations. Example: A radio station obtains a public performance license from BMI to broadcast the artist’s songs. Understanding these licences helps managers maximise royalty income.

Merchandise Royalty – A percentage of sales from branded products bearing the artist’s name or image. Example: The artist receives a 12% royalty on all merchandise sold at concerts. Merchandise royalties can be a significant revenue stream, especially for touring artists.

Brand Alignment – The degree to which a sponsorship or endorsement matches the artist’s image and values. Example: A rock band partners with a guitar-manufacturing brand, achieving strong brand alignment. Misaligned partnerships can damage credibility and fan perception.

Right of Publicity – The right to control commercial use of an individual’s name, likeness, and persona. Example: A celebrity’s image is used in an advertising campaign under a signed right-of-publicity agreement. Violations can result in lawsuits and reputational harm.

Non-Exclusive License – A licence that allows the licensor to grant the same rights to multiple parties simultaneously. Example: The artist grants a non-exclusive license to several streaming platforms. Non-exclusive arrangements increase exposure but may dilute exclusivity benefits.

Exclusive License – A licence that restricts the licensor from granting the same rights to others, often in exchange for higher compensation. Example: The artist signs an exclusive licensing deal with a single fashion label for a limited edition line. Exclusive deals can command premium fees but limit other revenue opportunities.