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To BMI Songwriters, Composers, and Publishers:

Our Royalty Policy Manual (or RPM) has been designed to compile in a convenient, easy-to-read format most of the information you want to know about the method by which your BMI royalties are calculated and distributed. We also have included information regarding registering your works (“songs”) and services available to you. We trust that you will find it useful and informative. Should you at any time have any questions about the information contained in this handbook, or need clarification, do not hesitate to **contact** your local BMI Writer/Publisher Relations office for assistance.

General Royalty Information

Registering Your Works

BMI enters work registrations into its databases from one of two sources, (1) a BMI song registration form (formerly known as a clearance form) provided either electronically or on paper, or (2) a cue sheet which details all music written specifically for a film or television show, or other audio-visual work, typically prepared by the production company.

All songs must be submitted to BMI via a BMI registration form in order to receive credit for certain

types of performances (e.g., all radio, commercial music services, commercial jingles and promotional announcements, live pop and classical concerts and Internet). Separate registrations need not be supplied to BMI for individual music cues (dramatic underscore) used in audio-visual programs. These will be automatically registered when the cue sheet is received and processed by BMI. You agree to notify BMI promptly if there are any errors or omissions contained in the registration information for your works or if the information, as it is set forth on the bmi.com website, is in any way inaccurate.

A registration received from any songwriter, composer or publisher of a work will suffice to credit all participants. If the publisher submits a registration, the writer does not have to submit one as well, and vice-versa. However, we strongly encourage each co-publisher of a work to submit its own song registration form in order to assure that the work is entered into the publisher's correct BMI account. BMI will enter the work into its database for the shares and participants indicated on the first registration received. If a later registration is received for the same work which conflicts with the earlier registration, we will notify the party submitting the later registration and request documentation or written confirmation from all affected participants in conformity with BMI's conflicting registration rules before changing our records.

In order for BMI to make payment on time for the public performance of your music, it is imperative that all registrations (both songs and cue sheets) be received as close to the performance date as possible. It is essential that you register all of your works in order that BMI can provide information about your entire catalogue to foreign performing rights organizations, and so that BMI may quickly and easily identify foreign royalties received on your behalf. **Late registrations and cue sheets may cause royalties to be delayed and/or lost.** It is **your** ultimate responsibility to make sure that work registrations and cue sheets are delivered to BMI in a timely fashion, even though you may rely upon others to provide them to BMI in the normal course of business. Also, you must affiliate with BMI **prior** to the time of the performance of your music in order to receive royalties. Late affiliations will cause royalties not to be paid.

Samples, Medleys and Parodies

BMI accepts for registration works which "sample" other works, provided all parties have agreed to the share percentages on the new work. These shares cannot exceed 200%. (See **How Royalties Are Divided.**) The percentages must be noted on the BMI registration form for the work and a copy of the sample license agreement must be provided to BMI upon request.

Standard rates for a popular song will be paid. The same rules apply when two or more works are utilized in a single recording as a medley.

A parody is a satirical imitation of a work. Permission from the owner of the copyright is generally required before commercial exploitation of a parody. BMI will credit the parody based upon the shares authorized by the publisher of the parodied work.

Spoken Word Material

Spoken word material with a musical background will be registered only if the music is original (not based on a Public Domain work) and if a substantial part of the recording contains background music. A recording must be submitted with the registration form.

Assignment of Works

A BMI publisher may assign a work to another BMI publisher as of the calendar quarter in which BMI receives notice of the assignment. However, BMI will not accept such assignment until all outstanding financial obligations or liabilities to BMI of the assigning publisher are adjusted appropriately.

Notwithstanding the foregoing, an assignment or transfer of control of a catalogue of works from one BMI publisher to another in connection with a sale, merger or otherwise will be subject to all of the terms and conditions of the agreement between BMI and the publisher whose works are sought to be assigned or transferred. For example, BMI will not recognize an assignment of works from one BMI publisher to another if the remainder of the term of the agreement between BMI and the publisher to which the assignment was made is shorter than remainder of the term of the agreement between BMI and the publisher which assigned the works. In such a case, BMI will maintain the assigned works in a special account of and pay any royalty earnings to the publisher to which the works were assigned. At the end of the term of the agreement between BMI and the assigning publisher, BMI will transfer the works to the catalogue of the publisher to whom the assignment was made upon its written request to BMI to do so.

Withdrawal of Works

A publisher who seeks to withdraw any of its works from its BMI catalogue other than on account of an assignment to another BMI publisher (see **Assignment of Works**) may do so only as of the end of the current term of its agreement with BMI, upon notice to BMI by registered or certified mail not more than six months or less than three months prior to the end of the current term. However, no such withdrawal will be accepted until all outstanding financial obligations or liabilities to BMI of the publisher are adjusted appropriately. In addition, the withdrawal of any such work by the publisher will not affect the right of BMI to continue to license the interest of any other participants in the work.

Instrumental and Lyric Versions of the Same Work

BMI cannot undertake to distinguish between lyric and instrumental performances of a work unless the two versions bear different titles. If the lyric and instrumental versions are known by different titles, performances of the instrumental version will be credited solely to the songwriter or composer and to

the publisher of the instrumental version unless BMI is notified by all parties involved of an agreement between them that the lyricist and the publisher of the lyric version are entitled to share in performance royalties of the instrumental version. Where the lyric and instrumental versions are known by the same title, the lyricist and the publisher of the lyric version will each be credited respectively with 100% of the applicable writer and publisher shares for all performances, unless BMI is notified by all participants of an agreement between them that the lyricist and the publisher of the lyric version are to be credited for a stated percentage of all performances.

How Royalties are Divided

BMI considers payments to songwriters or composers and to publishers as a single unit equal to 200%. Where there is the usual division of performance royalties between songwriters or composers and publishers, the total writers' shares will be 100% (half of the available 200%), and the total publishers' shares will be the remaining 100%.

Please note the following rules with respect to the division of the 200% royalty:

- The total publishers' shares may not exceed 100%.
- If the agreement between the publishers and songwriters or composers provides for the songwriters or composers to receive more than 100%, the work should be registered with BMI indicating the percentages allocable to all songwriters or composers and all publishers so that the total is not more than 200%.
- Where no performing rights (or only partial performing rights) have been assigned to a publisher, the songwriters or composers will receive the entire 200% (or the balance of the entire 200%) in the same ratio as their respective writer shares. However, a songwriter or composer who has assigned to a publisher all or part of his or her proportionate rights in the publisher's share shall not be entitled to receive any portion of the remainder of the publisher's share allocable to his or her co-writer(s).

If BMI is notified subsequent to the initial registration that rights have been assigned to a publisher, BMI will credit the publisher with the appropriate share for performances beginning with the quarter in which such notice is received. **No Retroactive Adjustments Will Be Made.**

(Example: John and Mary wrote "Their Song" together. John signed a songwriter agreement with Music Publisher. Mary did not. When the work is registered with BMI, John will list his writer share as 50%, Mary will list her writer share as 100% (50% for her co-writer interest and 50% for her unassigned publisher interest) and Music Publisher will list its publisher share as 50% (for the publisher's interest it obtained from John). If Mary later assigns her publisher interest to the same Music Publisher, Mary will notify BMI, her writer share will be reduced to 50% and Music Publisher will be paid 100% effective in the quarter that BMI received Mary's notice.)

Wherever royalty rates are indicated in this document, the

amount shown is the 200% royalty. In the typical case where all songwriters or composers have assigned their copyright in a work to publishers, half of the amount listed is paid to the songwriters or composers and half to the publishers.

BMI operates on a non-profit-making basis. All available income is distributed, except for a modest reserve.

Arrangements of Public Domain Works

Copyrighted arrangements of works in the public domain (classical and popular) will be credited at **20%** of the otherwise applicable rate of payment for popular songs for all performances, with the exception of the Live Classical Concert distribution, where no payment is made for performances of arrangements of public domain works.

Payment for Uses in Unmonitored Sources

BMI collects license fees from tens of thousands of music users including, but not limited to, radio stations, broadcast television, cable and satellite providers, hotels, restaurants, nightclubs, sports arenas, theme parks, airlines, jukeboxes, retail stores and digital media music users such as internet websites and ring-back tone providers. BMI strives to distribute license fees derived from specific users of music to the songwriters, composers and publishers whose music is performed by those users. However, in cases where performance data is not available or is incomplete for any of the sources from which BMI collects fees, BMI may distribute those fees against performances from a source or sources where sufficient data is available. At any time, we may add a distribution source that was previously unmonitored, or remove a distribution source that was previously monitored, if the availability of accurate performance data changes.

Non-payment Sources

No payment is currently made for the following types of performances in electronic media:

- Cue, bridge or background music on radio
- Partial performances of popular songs on radio
- Station IDs or public service announcements in any medium
- Promotional announcements on radio or on local broadcast, cable or satellite TV, except as otherwise indicated

However, BMI may voluntarily introduce payments for these categories at any time, at rates to be determined by BMI.

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