

Master Licence Checklist

This is a checklist of key deal points and issues in a master licence. It is not exhaustive. It is not a substitute for legal advice. Every deal is different in some way. Almost all deals can be improved by professional analysis and negotiation. Master Licence agreements have significant implications on an artist's and label's exploitation of masters. You should get competent and specialised legal advice on the subject matter and terms of any agreement before you sign anything. However, this checklist sets out the details and issues you should be on the look-out for.

1 Master Owner's Details (Licensor)

Company or individual? Proper entity name and trading name (if any)?

2 Details of person or company obtaining licence (licensee)

Company or individual?

3 Term

- a. Commencement date
- b. Length of term
- c. Option for further albums?

4 Territory

Australia, U.S., world, world excluding Australia?

5 Track Details

- a. Name of recording
- b. Name of artist
- c. Name of composer
- d. Include video-clips and promo material?
- e. Format, method and time of delivery

6 Rights

- a. Exclusive?
- b. Describe rights being granted (e.g. reproduce, commercially release, distribute and collect earnings)
- c. Describe limitation of use of rights (copyright notices)
- d. Describe rights reserved, non-exclusive digital, granting worldwide synchs originating outside the contract Territory?
- e. Copyright Clearances

7 Release Commitment

- a. Digital and physical? (timing of release)
- b. Territory by territory (reversion if no release within specified time frame?)

8 Promotion and marketing

- a. Promo and marketing plan (trade and consumer advertising, radio, touring, internet, billboards, etc?)
- b. Costs, budgets and approvals (samples)

9 Advance and royalties

- a. Advance (recoupable or repayable?)
- b. Amount and calculation of licensee's royalties
 - i. Royalty base price
 - ii. Sundry and licensing income splits
 - iii. Video income
- c. Mechanical royalty payments (who pays)
- d. Deductions, costs and fees (manufacture, packaging and tax?)
- e. Accounting and auditing

10 Termination and post-termination

- a. Right to terminate (breach)
- b. Sell-off period? Buy remaining stock?
- c. Return/destruction of masters and materials

For further information consult your local Industry Association, Arts Law, or a legal professional.