

# Last.fm Pays Royalties To Unsigned Artists



Music-streaming service Last.fm is now paying unsigned artists royalties for every song played on its service. Since the company announced the program last January, 170,000 artists and small music labels have signed up for it and uploaded 450,000 tracks.

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## Merlin Issues Statement Regarding Last.FM Artist Royalty Program

Merlin, the global rights body for independent music, today issued a bulletin to its 12,000+ members in relation to the launch of Last.fm's Artist Royalty Program. The bulletin highlighted the following important points:

"The Program announced today does not appear to offer any compensation for any past illegal use of repertoire. It is unclear to us whether or not the terms and conditions of the Program are intended to prevent master owners pursuing such compensation.

"As you will be aware, we have for the last few months been negotiating with Last.fm regarding a non exclusive blanket licence and a settlement agreement on

behalf of Merlin members. Unfortunately, these negotiations have stalled – in particular due to Last.fm’s unwillingness to properly address its illegal infringing activity.

“Several provisions of the licence terms and conditions of the Program appear ambiguous and open to legal interpretation. We note that this would tend to lead to uncertainty as to the “true” meaning of the licence. The licence points out that if you are unsure about any of it “YOU ARE ADVISED TO OBTAIN INDEPENDENT LEGAL ADVICE” – we would endorse that view.”

Merlin membership numbers over 12,000 labels – representing, without a doubt, the largest and most commercially significant bundle of music rights outside the majors.

This brings their current market share in the US alone to over 8%, equal to that of EMI Music. Worldwide, members were responsible for 72% of Europe’s top 60 independent albums for the past three years and a 75% market share of the top UK’s 75 independent albums in 2007.

Merlin’s remit is to represent the world’s independent sector and act as an efficient central point of entry to the music it represents, in particular for digital, new media and web 2.0 rights. Merlin provides an unprecedented efficiency in bringing together the world’s most commercially important independent repertoire in one place.

## About Merlin

Merlin represents the global independent record sector (which collectively accounts for 80% of the world’s new releases and a 27.5% share of the global music market\*), ensuring it has effective access to new and emerging revenue streams.

Merlin offers rights users the opportunity to license collectively the individually unlicensable by creating a single point of contact for those wishing to license from the vast global output of the independent sector. Merlin

represents by far the largest and most compelling basket of global independent rights, and so offers the most efficient means of licensing this repertoire.

A multi-national organisation in the truest sense, Merlin's burgeoning global membership includes such iconic labels as Beggars Group (the largest independent in the UK), KOCH (the largest independent in the US), [PIAS] Group (the largest pan-European independent), Concord, Edel, Epitaph, Rough Trade and Tommy Boy, and distributors and aggregators such as IODA, Finetunes, State 51 and Kontor.

Merlin operates outside the space occupied by Collecting Societies and distributors, redressing the false assumption that for emerging media, only the majors need to be licensed with the rest free to air.

Merlin has been ratified by the World Independent Network (WIN), a global trade body with trade association members from around the world, IMPALA (European Independent Music Companies Association), AIM (UK), UPFI (France), CIRPA (Canada), VUT (Germany), FONON (Norway), ILCJ (Japan), SOM (Sweden), ABMI (Brazil), UFI (Spain), IMNZ (New Zealand) and AIR (Australia) and members of the American Association of Independent Music (AAIM) including Alligator, Century Media and Kill Rock Stars.

Based in The Netherlands and London, Merlin operates as a stand-alone company owned by a not for profit foundation. Its activities and the scope of its operations are supervised by a board representing its members. Merlin is a sister organisation to WIN, and was incubated by WIN as its first major global project.

\* Independent sector global market share 2006 is 27.5%, source Music & Copyright, Jul 2007. 80% of releases stat based on an amalgamation of Nielsen Soundscan figures (2005: 81.65% of total US releases were independent) and BPI figures (2005: 83% of total UK releases were independent).