

DIGITAL BY ANTONY BRUNO

Name That Tune

Music Recognition Technology Could Improve Accounting Of Broadcast Royalties

TV is already an important source of revenue for the music industry. And thanks to a number of new initiatives hitting the market this year, it's about to become even more so.

ASCAP and BMI, the two largest performing rights societies in the United States, collect about \$1.8 billion in performance royalties per year, of which about \$600 million stems from music played on broadcast, cable and satellite TV.

In many cases, broadcasters pay the societies upfront for a blanket license on these tracks and submit cue sheets to detail what music was used and when so the societies can divvy up the payment to the appropriate rights holders. Now, TuneSat and BMI subsidiary Landmark Digital are using music recognition technology to automate that process.

Both companies have installed listening stations to monitor the audio feeds of more than 100 broadcast and cable channels to recognize and record music played on these channels. Their systems are so sensitive that they can pick up two-second snippets of a musical work and identify songs played under dialogue or static. They then compile a report of all such usage into a database for clients, complete with an audio recording of each use.

TuneSat and Landmark Digital have spent much of the year courting music publishers and performing rights societies with this new product, pitching it as a more effective system for tracking music performances. It can



take up to eight months for broadcasters to provide societies and publishers with their cue sheets, while these new services can identify performances in real time.

What's more, TuneSat estimates that the manual cue sheet method of measuring performances on TV results in up to 80% of the royalties paid being misallocated.

"They're not getting the proper reports," TuneSat executive VP Chris Woods says. "They're either incomplete, inaccurate or never filed at all."

TuneSat is a New York start-up founded by Woods and Scott Schreer, both of whom are composers and technology veterans. (Schreer wrote the theme song for the NFL on Fox.) They initially pitched TuneSat's services to TV networks as a way to automate their cue-sheet submission process. To date, NBC and Fox

have signed up. This spring, Woods and Schreer began reaching out to the music industry, signing up Sony/ATV Music Publishing and a number of independent publishers. Currently, the company only monitors U.S. TV, but it is planning to launch monitoring services in the United Kingdom, France, Germany, Italy and Spain in July.

Landmark Digital, meanwhile, was created after BMI acquired the technology assets of the popular music identification service Shazam in 2005. Since then, BMI has only used the service to monitor radio performances, but now Landmark has added TV and Internet monitoring to its portfolio and is seeking additional clients. The company expects to announce several international customers this fall.

"We feel this can go in a lot of different directions and help other companies like BMI around the world, and we're pursuing those very aggressively," VP of business development David DeBusk says.

According to Sony/ATV executive VP of business and legal affairs Peter Brodsky, these services don't so much address a problem in need of a solution as they do bring efficiency to a complicated system.

"It's not like we were sitting around going, 'Man, there's

so many uses of our songs that we're not getting credit for,' " Brodsky says. "But when you see technology that can give you real-time data and reports of when songs are being used, and use that to compare to what your performing rights statements say, you might be onto something. This is a real eye-opener."

Yet broadcasters pay upfront for music usage. While data from TuneSat or Landmark may help individual songwriters or publishers make a case for receiving more from that shared pile of cash, the data doesn't increase the overall amount that performing rights societies gather.

"One would hope it would tighten the net up a bit," says one source close to the societies, "but it doesn't mean everybody is going to get paid what they think they will. It doesn't increase our fees. It just increases the amount of data we have to prove what was actually used."

But for publishers like Sony/ATV, anything that helps them get more money is a good thing. "It just splits up the pie in a more accurate way," Brodsky says. "It may not grow the entire pie. But if we're not getting credit for all the uses, then we theoretically will increase our pie." ■■■

TOUCH ME, I'M SLICK

In the ongoing rush to release mobile handsets that can compete with the iPhone, Nokia has introduced an updated version of its touch-screen XpressMusic phone. It sports a 3-inch wide-screen display and 4 GB of memory and can surf the Web using either the Edge wireless phone network (which isn't as fast as third-generation networks) or a Wi-Fi network. The Wi-Fi aggregator Boingo is offering users three months of free Wi-Fi as well.

The 5530 XpressMusic phone retails for \$275 and is expected to ship in the third quarter. —AB



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