

On TechRepublic: Cracking open a USB flash drive [Log in](#) | [Sign up](#) | [Why join?](#)Search:  News  [Advanced search](#)

Today on CNET | [Reviews](#) | **News** | [Downloads](#) | [Tips & Tricks](#) | [CNET TV](#) | [Compare Prices](#) | [Blogs](#) | [ad](#) | [Save money now on Palm Treo 755p](#)

[Business Tech](#) | [Cutting Edge](#) | [Green Tech](#) | [Wireless](#) | [Security](#) | [Media](#) | [Markets](#) | [Personal Tech](#) | [News Blogs](#) | [Video](#) | [Extra](#) | [My News](#)

[Subscribe to News Blog](#)

March 6, 2008 4:00 AM PST

## Musicians still waiting on a YouTube payday

Posted by [Greg Sandoval](#)| [16 comments](#)

How important is music to Google's YouTube.com? Out of the 12 all-time [most viewed YouTube clips](#), nine are professionally made music videos. At least one rock video has been watched more than 75 million times on YouTube.



But do the performers in the videos share in the advertising revenue generated by their work?

Some top music managers have told CNET News.com that their clients haven't seen any money from the licensing deals the four largest music labels have signed with YouTube over the past 18 months. According to a statement from Google-owned YouTube, the Web site is banking ad dollars generated by the artist's music and is sharing that money with the record labels. What the managers want to know is why little or nothing has trickled down to the artists.

"I don't know any artist who has gotten a royalty statement (from their label that includes YouTube money)," said music attorney Chris Castle.

There could be a few reasons for lack of compensation. Several managers charge that [YouTube's filtering system](#) is unable to accurately track videos featuring copyrighted songs uploaded to the site by users. Without an accurate accounting of the music, the labels won't be able to compensate artists fairly, said Jay Rosenthal, legal counsel for the [Recording Artists Coalition](#), an organization co-founded by singers Don Henley and Sheryl Crow.

"Whatever figure the labels are getting doesn't mean it's the right figure," Rosenthal said.

Are there grounds for those fears? YouTube's reporting has indeed caused concern at the major music companies, according to three music industry sources with knowledge of the record companies' relationship with YouTube. There have been "lags in reporting" because of technology problems at the video site, said two of the sources, who requested anonymity because they aren't authorized to speak for their companies.

All three music industry sources said, however, that YouTube has "acted in good faith" and has taken steps to improve its reporting. "These are still early days," said one of the sources. "The music managers are always quick to demand money or to shut down a service or to file suit. Sure, maybe down the road the labels will have to flex their muscles but right now they want to give YouTube some time to develop."

**"The performers really don't know how they get paid. You just assume you get 50 percent of something... What's happening here are old contracts are colliding with new technologies."**

--Jay Rosenthal, music manager

The sources also said that so far, the videos on YouTube have earned relatively little money.

In the deals struck with the record companies, starting with Warner Music Group in September 2006, YouTube agreed to pay the labels for use of sound recordings and to also "share revenue generated from playbacks," according to YouTube. The company did not provide financial details of the agreements.

YouTube said in a statement that "payments (to the record companies) are generally increasing over time."

As for its technology, YouTube said, "We partner with Audible Magic, generally regarded by the music industry as the gold standard in audio identification...we are scaling our technology rapidly with very positive results."



### About News Blog

Recent posts on technology, trends, and more.

**Subscribe to this blog**

Click this link to view this blog as XML.

### Add this feed to your online news reader

[Add to Google](#)[Add to my Yahoo](#)[Add to MSN](#)[Add to Bloglines](#)[Add to Newsgator](#)

### News Blog topics

<a href="#">Apple</a>	<a href="#">Music</a>
<a href="#">Blogma</a>	<a href="#">Open source</a>
<a href="#">Broadband</a>	<a href="#">Oracle</a>
<a href="#">Car Tech</a>	<a href="#">PCs</a>
<a href="#">Cellular</a>	<a href="#">Politics</a>
<a href="#">Cisco</a>	<a href="#">Processors</a>
<a href="#">Deal of the day</a>	<a href="#">Science</a>
<a href="#">Dell</a>	<a href="#">Search</a>
<a href="#">Digital Kids</a>	<a href="#">Security</a>
<a href="#">Enterprise software</a>	<a href="#">Sun Microsystems</a>
<a href="#">Gadgets</a>	<a href="#">VoIP</a>
<a href="#">Gaming</a>	<a href="#">Web 2.0</a>
<a href="#">Google</a>	<a href="#">Windows</a>
<a href="#">IBM</a>	<a href="#">Workplace</a>
<a href="#">Media</a>	<a href="#">Yahoo</a>
<a href="#">Microsoft</a>	

### Latest blog posts

[A dark side of solar power](#)Posted in [Green Tech](#) blog by [Elsa Wenzel](#)  
March 10, 2008 1:08 PM PDT[Breaking even with Mark Zuckerberg](#)

At this point, it appears YouTube has been thrust into the middle of a long-running labor feud. All parties agree that YouTube has correctly licensed the music heard on the video-sharing site, and as a YouTube spokesman pointed out: "The record labels, not YouTube, are responsible for payments to the artists."

This is not a new problem. Artists have for decades accused record companies--Universal Music Group, Warner Music Group, Sony BMG, and the EMI Group--of cutting them out of their fair share of profits. At a time when the Web and digital technology have caused the music industry numerous headaches, the issue of compensating artists for downloads and Internet rights is turning into a migraine.

Last week, [The New York Post reported](#) that music managers were tired of waiting for their share of the money the labels received in court settlements from peer-to-peer sites Napster and Kazaa.

Two years ago, veteran rock bands Cheap Trick and the Allman Brothers Band [filed a lawsuit against Sony BMG](#) for unpaid royalties regarding digital downloads. That case is still pending.

Reached at his New York office this week, Brian Caplan, the attorney for the bands, said he wasn't familiar with the YouTube deal but didn't like the excuses offered about why artists aren't seeing YouTube-generated money. "The bottom line is the labels will feed themselves any rationalization to keep as much money as possible for themselves and not share it with the artist," he said.

Record industry insiders point out that they have been vilified for allegedly being too slow to embrace technology and innovative ideas. But here they are being condemned for helping to develop online video-sharing into a new music platform.

Warner Music flatly denied that its artists weren't getting paid. "Warner Music Group shares all of the digital revenue we receive with our artists in accordance with the terms of their agreements," the company said in a statement. "While those agreements are confidential, they outline a reporting and payment process to which we strictly adhere."

The other three labels declined to comment for this story.

Music managers say part of the problem is that the record companies keep them in the dark. They say artists haven't been made privy to the financial terms to the deals the labels are striking with YouTube or other Web sites. They also don't know how the labels divvy up the artist share or how the music being played on these sites is tracked and reported.

"This is endemic to a lot of areas," said Rosenthal from RAC. "The performers really don't know how they get paid. You just assume you get 50 percent of something. What we want to know is what kind of metadata do they get from these services to show this is what is played. If you can't get metadata then you have to come up with some formula.

"Otherwise if you don't, then the labels sit on their (butts) and don't pay the artists because they don't know how...what's happening here are old contracts are colliding with new technologies. I'm not saying the labels are wrong for not knowing how to pay. But what's wrong is not sitting down and figuring it out all the while they don't pay the performers."

**TOPICS:** [Media](#)

**TAGS:** [YouTube](#), [Google](#), [music labels](#), [Universal Music Group](#), [Warner Music Group](#)

**BOOKMARK:** [Digg](#) [Del.icio.us](#) [Reddit](#)

## TalkBack

16 comments  
[Post a comment](#)

### Welcome back to the Cosmos

wildchild\_plasma\_gyro  
Mar 9, 2008, 2:57 PM PDT

### YouTube Software?

compcaddy  
Mar 6, 2008, 7:17 PM PST

### so very very not surprised

sadchild  
Mar 6, 2008, 10:24 AM PST

### Videos are a promotional vehicle, and now you want money?

bvdon  
Mar 6, 2008, 9:45 AM PST

### How about all that settlement money?

stopher2475  
Mar 6, 2008, 6:52 AM PST

### Really? Artists Know Exactly Who Is Screwing Them. You Are.

Posted in The Social by Caroline McCarthy  
March 10, 2008 1:06 PM PDT



### Nissan to show off electric car concept in New York

Posted in The Car Tech blog by Wayne Cunningham  
March 10, 2008 11:55 AM PDT



### SXSWi: Zuckerberg may get a do-over (update)

Posted in Geek Gestalt by Daniel Terdiman  
March 10, 2008 11:05 AM PDT



### Study: Gamers love dying

Posted in News.com Extra by Emily Shurr  
March 10, 2008 10:47 AM PDT

## Featured blogs

### Beyond Binary by Ina Fried

A look at how technology is changing our lives and at the people behind all that life-changing stuff.

### Coop's Corner by Charles Cooper

Charles Cooper weighs in on Silicon Valley hijinks, and he doesn't suffer fools gladly.

### Defense in Depth by Robert Vamosi

Covering the latest in computer viruses and computer crime.

### Geek Gestalt by Daniel Terdiman

At the tech culture nexus of video games, fire art, and virtual worlds.

### Green Tech

Fresh green tech news and commentary.

### One More Thing by Tom Krazit

Tom Krazit takes on the tech phenomenon that is Apple, and keeps a close watch on the chip industry.

### Outside the Lines by Dan Farber

When business and technology meet, that's when things get interesting.

### The Iconoclast by Declan McCullagh

Exploring the intersection of politics and technology.

### The Social by Caroline McCarthy

Exploring all facets of social media and tech culture.

### Underexposed by Stephen Shankland

Coverage of digital photography, science, and open-source software.

[More CNET blogs »](#)

Resource center from News.com  
sponsors

### [SF Giants CIO Bill Schlough discusses new technology upgrades at AT&T Park](#)

Watch the CIO Vision Series Video

[Ad Feedback](#)

Len Bullard  
Mar 6, 2008, 6:51 AM PST

#### [RIAA: The Music Mafia](#)

imacpwr  
Mar 6, 2008, 6:41 AM PST

#### [And they wont..as long as the RIAA is involved](#)

zincmann  
Mar 6, 2008, 5:43 AM PST

[Read more comments >](#)

## Recent posts from News Blog

[Gigya raises \\$9.5 million from Benchmark, others](#)

[Study: Cloud computing to brighten future of data centers](#)

[Study: H-1Bs prompt more, not fewer, American hires](#)

[How Google's counterculture changes everything](#)

[FCC hints at taking action against Comcast](#)



### Sponsored Links

(about)

#### [Pirates Can't Be Stopped](#)

Teen Hacks Into Anti-Piracy Firm- Read Why Hollywood is so Powerless  
[portfolio.com](#)

#### [Make Your Music Heard](#)

Join The Music Community & Use Our Resources To Get Promoted!  
[www.ourstage.com](#)

#### [Download Free Music Now](#)

Your Resource for Music Downloads. Get Your Favorite Songs Here Free.  
[www.ez-radio.com](#)

#### [Are You in a Band?](#)

Create a Profile to Promote & Sell Your Music. It's Easy & Free!  
[www.fuzz.com](#)

#### [Get your CD/DVD copied](#)

High-Quality Replication Experts Free Glass Mastering, No Setup Fees  
[www.proactionmedia.com](#)

[Site map](#) | [Help center](#) | [Corrections](#) | [Newsletters](#) | [Send tips](#) | [News.com mobile](#) | [Content licensing](#) | [RSS feeds](#) | [XML](#)

Search:  News

Popular topics: [CES](#) | [Drivers](#) | [Games](#) | [IE7](#) | [iPhone](#) | [iPod](#) | [iPod Nano](#) | [iPod Touch](#) | [iTunes](#) | [Leopard](#) | [Macworld](#) | [Nintendo Wii](#) | [PS3](#) | [Spyware](#) | [TVs](#) | [Vista](#) | [Xbox 360](#)

[CNET.com](#) | [About CNET](#) | [Today on CNET](#) | [Reviews](#) | [News](#) | [Compare prices](#) | [Tips & Tricks](#) | [Downloads](#) | [CNET TV](#)

Popular on CNET Networks: [Akon](#) | [Free Music Downloads](#) | [Game Cheats](#) | [Heroes](#) | [Margarita recipes](#) | [PC Games](#) | [Prison Break](#) | [PS3](#) | [Recipes](#) | [Wii](#) | [Xbox 360](#)

[About CNET Networks](#) | [Jobs](#) | [Advertise](#) | [Partnerships](#) | [Site map](#)

Visit other CNET Networks sites:

Copyright ©2008 CNET Networks, Inc. All rights reserved. [Privacy policy](#) | [Terms of use](#)