

A GUIDE TO BUYOUTS FOR MEDIA COMPOSERS

What is a buyout?

A buyout is a type of agreement or contract where the party commissioning the work - the commissioner - pays a single fee for the composition. This is then used to acquire - or 'buy out' - the creator's rights and potential royalty income in respect of their work.

In the context of media composing, a buyout involves a commissioner paying you an upfront fee which prevents you from retaining some or all of your intellectual property rights in the work.

The importance of royalties and credits

The concept of royalties reflects the ongoing value in musical works, allowing its creators to be remunerated in direct proportion to the success of their music, a factor rarely predictable at the time of commissioning.

Royalties prevent a creator's work from being unfairly exploited, and they uphold and sustain the value in music.

Media composition should attract a fee that not only covers the creation of the music, including any costs involved, but also allows you to hold onto at least some of your rights. Importantly, this would enable you to receive royalties over time if the audiovisual production you contribute to is continuingly successful.

It is also crucial that the true writers of a musical work are credited by name for its composition.

How do buyouts affect media composers and their careers?

Buyouts are generally damaging to media composers, as they can remove your rights to be paid fairly in relation to your work.

Buyouts disrupt hard-won, established and fairer systems that exist to ensure that a creator's work is respected and appropriately remunerated.

When you retain the rights in relation to your music, you will potentially benefit for many years to come. This could be essential if perhaps you suffer a period where new work is hard to find, misfortune or ill-health.

“Work for hire”

Under US law, there is a practice of so-called “work for hire”. This means that a composer can be legally commissioned to write music with no expectation of royalties, with the payment consisting entirely of a one-off fee.

However, this is not the case in the UK, where you are always legally entitled to hold onto at least some of the rights. This means that you are always entitled to receive royalty payments when the music is performed, broadcast or streamed, especially if you are a member of a Performing Rights Organisation, such as PRS for Music.

How can buyouts happen?

There are two main things to watch out for. First, you might be forced to give away more of your rights than you would like in order to secure a job.

Secondly, there might be a clause in the contract offered which maintains that it is drafted under US law. So even if you are in the UK, writing for a UK commissioner, you might be asked to sign a work-for-hire contract under US law.

Remember: you can - and should - ask for that clause to be removed, so that you can hold on to at least some of your rights and rightful income. This is why we would encourage you to always seek legal assistance before signing a contract. If you are a member, you have access to our free legal advice and can always get in touch with us for help.

Why do buyouts happen?

We believe media composing buyouts could spread as international commissioners seek to export the US business model into other territories.

Put simply, even though it might be unfair and at times unlawful, commissioners try to buy out your rights because it means they keep more of the income generated by your music.

The Ivors Academy and the MU are fighting for composers to have a true choice in terms of what they do with their rights, and for a fair negotiation process where composers are not forced to accept a bad deal just to get work.

Your music your choice

It might be that a commissioner acting as a publisher is committed to truly seeking secondary exploitation for your works over time. In that case, you might be content to give away more of your rights. The issue arises when there is no realistic expectation of this happening.

Ultimately it should be your choice as a composer. Even if it might not always feel like a choice, remember there is no harm in asking for a better deal – commissioners at times expect a negotiation even when it might not seem like there is room for one.

Are buyouts always bad?

We would always advise you to retain at least some of your rights, as this remains a tried and tested mechanism to enable a sustainable career in the long run.

However, we acknowledge that in some circumstances a buyout might actually be a sensible choice. For instance, the upfront fee might be very substantial and the expectations of the work generating income in many years to come may be relatively low, especially in certain sectors.

As a general rule, the important point is that you feel you have a real say in bargaining the terms of the contract, so that it works for you too.

Remember, if you are being asked to part with your music's earning capacity, then you are entitled to ask for proportionate compensation in advance.

Are buyouts the only issue in composition of music for screen?

No, there are other issues you might encounter, for instance during the pitching process.

Commissioning fees that include the composition, recording and delivery of the music can also be exploitative unless they separate out the composer's fee. Directors and Producers can make requests during a production that require additional studio time, performers or orchestration, and these will generally come out of the composer's own fee as they won't otherwise have been budgeted for. A ring-fenced composition fee is therefore the fairest way of protecting the composer from working for an unintentionally low fee.

We also believe that much more can be done to ensure that media composing in the UK is diverse, inclusive and promotes equality. Take a look at the [Fair Commissioning Manifesto](#) to see what we stand for.

Feel free to get in touch if you have any queries specific to your situation. [Contact the MU](#) or [contact The Ivors Academy](#).