

# Music rights payments

Extract from UNIC's annual report 2010-2011

**UNIC**

Union Internationale des Cinémas  
International Union of Cinemas

During the last year, the issue of music rights payments has been discussed on several occasions by UNIC representatives.

All exhibitors operating in UNIC territories currently make music rights payments to 'collecting societies'. These payments are typically intended to reward songwriters, composers and musicians for the use of their music in film soundtracks, and in providing background music in auditoriums, lobbies and other public areas.

The level at which such payments are required varies from territory to territory and is generally set by national legislation. It is typically calculated at around 1 per cent of box office, but in some countries is significantly higher.

UNIC absolutely supports the right of all creative people to be rewarded for their work. This of course includes all the songwriters, composers and musicians contributing to the soundtrack of films shown in cinema theatres – and to music played as background in cinemas – who are entitled to a reasonable reward for their efforts.

However it strongly believes that the level of payments required of exhibitors in some UNIC countries is both unfair and potentially damaging to the livelihoods of the cinema operators and those who rely on them for employment, particularly for small independent sites.

Any measure based on percentage of box office – as exists in most UNIC member countries – ignores the fact that very

few films rely on the amount or quality of the music in them to drive admissions. In truth music in most films plays a very small part in their success.

This is particularly true for 3D films, where the significant increase in box-office has been driven by each exhibitor's willingness to invest in digital cinema and 3D equipment and where their popularity is completely unrelated to anything to do with music, yet where the collecting societies continue to receive a significant 'windfall'.

In several UNIC territories, issues have arisen about the amount of funds handed over by the collecting societies to the actual rights-owners, these concerns in some cases leading to legal action.