



**THE FUTURE OF MACHINE-TO-MACHINE RIGHTS MANAGEMENT**  
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**KENNEALLY:** Machine-to-machine communication is the ideal scenario if we want to enable on a global scale, with as little friction as possible and at a reasonable cost, the licensing of works and the payment of royalties to rightsholders. That at least is the stated premise of our discussion.

Before we move on to explore how we achieve this nirvana, let's note, if only for the record, that there is room to debate whether human beings are a troublesome element in media licensing systems or the essential one. At my own company, at least, a few hundred people will thank me for saying so. Until code entirely does away with contracts, my colleagues – and very likely many of you in this audience – will continue to add the human value that no machine ever can. But how far have we come? How close are we to achieving a digitized business environment for rights and royalties that is as fully realized as we see today in media distribution and consumption?

Over the summer, we learned that a pair of computers at Facebook had wandered sufficiently far off their written scripts that engineers chose to shut them down. The press had fun with terrifying stories about robots on the rise and were busy rolling out photo library dusty shots of HAL 9000 from *2001: A Space Odyssey*. Now, as it turns out – and as we learned only later, after more level-headed examination – chatbots frequently invent their own languages, creating a kind of shorthand that enables them to communicate with each other more efficiently. In the case at Facebook, the engineers pulled the plug not because they wanted to save humanity, but because the assignment was to build chatbots that could speak with human beings rather than only with other machines.

But wait – that's what we want to have in music, isn't it? If rights information systems are ever to communicate to everyone's satisfaction, what will it take? What's holding up progress? Why does it matter? Those are a few of the questions for my panel, who combined have many qualifications to answer them. And in this music-heavy environment here at RightsTech Summit, think of them as the RightsTech Summit supergroup.



So I want to introduce them, and we'll start on the far end here. (laughter) Ladies and gentlemen, Benji Rogers on keyboard and guitar. Benji is a British-born, New York based entrepreneur, technologist, musician, and the founder of PledgeMusic, a London-based online marketplace that helps artists and fans build relationships through content and experience. Benji also co-founded the Dot Blockchain Music project, an attempt to create a decentralized global registry of music rights using blockchain technology. He's an instructor on digital trends and strategies at Berklee College of Music in Boston.

Then to Benji's left, right there at the far end of the sofa, is Michael Simon. Michael, welcome.

SIMON: Thank you.

KENNEALLY: Michael plays drums for our supergroup, and he is also president of Rumblefish, a world leader in music micro-licensing and YouTube monetization. He is likewise CEO of the Harry Fox Agency, the nation's leading provider of rights management licensing and royalty services for the music industry. Michael has a significant career in the industry. He was a founder of a recording artist management company whose roster included such major label acts as the Honeydogs and the Gigolo Aunts, and he was senior director of legal affairs at Polygram Records.

And then to Michael's left is Dae Bogan. Dae is our vocalist today. Dae, welcome. Dae is co-founder and CEO of TuneRegistry, a music and rights metadata management platform, which streamline registrations to music rights organizations and data services. He's also founder of Royalty Claim, an online database of unclaimed royalties and licenses powered by the Royalty Claim Initiative. He's an innovation fellow at UCLA Center for Music Innovation and a member of Berklee College of Music's Open Music Initiative.

And then finally, immediately to my right, is Michael Shanley. Michael is vice president of IT business development at Music Reports, and he's our guitarist today. Since 1995, Music Reports has developed proprietary databases and software applications for all aspects of music rights administration. Michael is currently leading development of Songdex, the world's largest independent relational database of music copyright and business information systems.

I want to start with Dae Bogan, because you've launched a couple of initiatives that are specifically focused on the DIY audience. That's the real difference in the



marketplace today, the growing significance of artists playing all of the roles – not just playing the drums or the keys, but playing the roles of businesspeople as well. So I wonder if you can give us your own sense of the state of the situation. We are talking about data. We're talking about rights management. On a scale of one to 10, where one is chaos and 10 is total harmony, from the perspective of the DIY community, where are we at? What's the number you'd put on it?

BOGAN: I think most of the DIY musicians that we deal with, we're probably falling around the five category.

KENNEALLY: That's pretty good. That's better than I would have thought.

BOGAN: Because we do a lot of – so education is a big part of the platforms that I develop, because education is a big part of what I do. I teach at UCLA and at CSON and some other programs, so we try to integrate education into our actual technology, whether it's in expanded (inaudible), whether it's articles, whether it's workshops, seminars, webinars, things like that. So we're trying to not only provide tools for DIY musicians, but also educate them on these issues so that they become better advocates for themselves, either through our tools or through other tools.

KENNEALLY: They are only as good as the tools, though. So talk about the situation as far as this whole notion of machine to machine. What are some requirements that perhaps we still haven't met yet that you see?

BOGAN: Well, on our end, which is why TuneRegistry exists, is I think everyone on this panel is doing a really great job on building tools and large infrastructure to handle huge datasets from major music companies and major independent music companies. But from what I see in the marketplace, a lot of the new solutions that have come out or the solutions that exist didn't really do a great job of providing those tools to DIY musicians. The independent band that's buzzing on Hype Machine who's touring, that actually has a following, that's making a million streams a month, they're not getting – they don't have access to the tools. And if they do have access to the tools, it's through some kind of partnerships that cannibalize their royalties as a result. So what we've tried to do is build tools that doesn't touch their royalties, doesn't touch their copyrights, but still give them access to this kind of growing network of organizations and new platforms.

KENNEALLY: OK. So the quick pitch on TuneRegistry, then – what is it you offer?



BOGAN: For DIY musicians, it's kind of like a central hub to organize their data before they get it into these places on the panel. So we're already piping data into Music Reports and HFA, and hopefully with Dot Blockchain as well. And then these guys go out and do a better job of that data in the whole music industry. We're not trying to be a data hub for the Spotify or a solution for PROs. We're trying to make sure that the DIY musician has a first stop to actually collect and clean up their data before they can get it into these places. Because they can't build a CWR-based platform. They can't code DDEX. They can't do any of those things. They don't even know what those standards mean, and they don't even talk about the software that exists for that. It's for independent publishers who might have the resources to pay \$1,000 a month in some kind of a service license. An independent band maybe can pay \$15 a month. And no one is going to deal with a one-off independent band for \$15 a month. But we can.

KENNEALLY: Right. And I guess that's the point, right? So for the DIY musician, working with you is more cost-effective, but they may even feel that you're closer to their concerns. Is that part of the pitch, really – that you understand their issues?

BOGAN: Yeah. We get questions every day. What's interesting about our company is that half the founders are lawyers, so the support –

KENNEALLY: (laughter) Is that good or bad?

BOGAN: It's a good and a bad thing. All the support thing that come in – it might end up in the hands of one of our co-founders, who's a lawyer. And we have to always start with, you know, this is not legal advice, but that might not be the best solution for you or what you're trying to – that you might want to look at these things when they're setting up their split sheets or when they're getting ready.

We're dealing with musicians before it gets to ASCAP, before it gets to CD Baby, before it gets to TuneCore – like when they're right at the point of, I just brought in this co-writer or this musician. Should we start thinking about this stuff? And we say, yes, you should. Go collect their IPI number. You know what that is? This is what an IPI number is. Go get this. So we help them to start gather this data. The next step is like, OK, how do I get this data to Music Reports? How do I get it to HFA? How do I get into Dot Blockchain?

So we're trying to be an agnostic facilitator of delivering that data to these platforms. We're not trying to monetize the data or to be the representative for the data or license rights against it, but we want to make sure that these DIY musicians



can play in the same room as a major label or a major publisher who has the technical skillset or at least the human resources to do that.

**KENNEALLY:** Right. Michael Shanley, data is clearly the heart of this discussion and will be throughout the whole conference, really. When we talk about machine-to-machine, we – it’s a funny word to even use machine today, I think. But back at the beginning, for your company, the original business was in local broadcast television. Just remind us of what those days were like only 20 years ago. What was the scenario as far as IT infrastructure? You probably didn’t even call it that.

**SHANLEY:** Well, sure. You know, folks had very old machines, and some of those machines are still operating at these broadcasters – legacy machines. But it was still a machine-to-machine process, right? So we had to track 80,000 cue sheets on a monthly basis and millions of hours of broadcast television to figure out the value of the music used in those programs and then communicate all that information back and forth with ASCAP, BMI, SESAC in a very high-speed way. So we had to build dispute resolution systems to deal with those folks, and they had to build those systems as well. It’s been operating like that since the ’90s, and of course, over time, those systems have evolved to modern-day RDBMS systems and high-speed data transfer processes and cloud-based systems and things like that.

**KENNEALLY:** But what does it mean to the challenge we face today in 2017 that there are all these layers of technology? As you say, there are customers still using technology that might seem sort of quaint to someone coming into the business new and fresh. What does it mean? Does that present – again, back to my one to 10 – in terms of roadblocks, is this just a little bump, or is this like a wall – this existing legacy systems?

**SHANLEY:** Sure. Well, systems are getting better, and speaking about broadcast in particular, the identification of music used within broadcast, where there’s not clean cue sheets, of course, is a situation, right? There’s folks out there, like Soundmouse and BMAT, Audible Magic that are monitoring those broadcasts and trying to identify that music to pass it on to folks like us so we can make sure everybody’s paid properly. Yeah, those systems do certainly have a long way to go. On a scale of one to 10, I’d put that somewhere around a six at this point.

But we’ve built and implemented a new tool called Cuetrak, which is starting to get adopted by broadcasters and OTT streamers, where you could capture all of that music in a very way, streamline the cue sheet creation, and disseminate all that



metadata to all the relevant performing rights societies and rights owners and royalty collectors, etc.

KENNEALLY: Right. Your company works on this Songdex, which I understand you're beginning to move in a whole new direction. Can you tell us a bit about that?

SHANLEY: Sure. Songdex in particular is a very large database of composition and sound recording information, all the business information related to the folks who own all that copyright and intellectual property – so tax ID information, financial information. Now, Songdex was originally built to serve the broadcasters, and it appreciated automated relationships with all the major music publishers, the large indie music publishers. But Music Reports has a large organization of folks who interact with music publishers in a manual way as well.

Like Dae said, people can't just generate CWR files or DDEX files. It's extremely difficult. Unless you have middleware and folks to help you do that, you need to work in Excel or in whatever kind of other system you're working with. So we have folks at Music Reports that are helping people get data into Songdex in a manual way if that's necessary, ripping data from cue sheets if that's necessary, which are in a PDF format. And then of course we're working with folks like TuneRegistry on a regular basis, HFA on a regular basis, to exchange data at very high volume.

So Songdex continues to grow, and now we're going to, in the very short term, make Songdex kind of this open and public registry, where folks from all over the spectrum can interact with the database that is Songdex – edit their information, edit payment preferences, actually claim music that's unmatched, for example.

So sound recordings get disseminated to digital service providers like Spotify and Pandora, etc. But the other side of that – the composition information – isn't disseminated, because they don't have the system to do that. And in a lot of cases, they don't even really understand that they need to do that. Like you said, folks are becoming the whole band these days, and they're really not sure that they're playing the drums. They have to be told, you know, you are also the music publisher and the composer, and you have to get that information out. I think that's really the invaluable service that TuneRegistry is providing, and we hope that Songdex will also be additive to that entire ecosystem.



KENNEALLY: Right. Benji Rogers, you know that situation personally, then – sort of being the whole band and a lot more – because your background was in music, playing in bands. You grew up around bands. You had to found a record label and get your own management system going and all the rest of that. So you hear Dae and Michael speak about this, and you think, well, this is nothing new. This is the way it has been for a long time. The artists have been faced with real challenges on the business side. But today, something different is available to them. You're going to tell us about that. But just comment on what you heard from Dae and Michael, how you relate to it first as a musician, and then we'll talk about the technology piece.

ROGERS: The musician in me says, first of all, this band has no bass player on stage here, so we're going to have to solve that one – and that the singer got to go first is just typical. But one of the funny things is I met a drummer, a friend of mine, at – it's true, yeah, naturally.

Well, just isn't on time. That's the problem. But I met a drummer friend of mine at South by, and I said to him, do you get paid for the sessions that you play on? And he's like, well, yeah, on the day, they send me the money. And I said no, but later on, down the line. Do you contribute? And he had no idea what I was talking about. He had no idea that there were revenue streams available to him beyond this one.

So the fact that there are these revenue streams and the fact that there are hundreds of companies and serious representatives here on the stage here working towards getting people paid is extraordinary. But the technologist side of my brain says – the musician part of my brain says that's amazing. Which one do I go for? Where do I go? What's day one? What's the first thing I should do? The technologist part of my brain says that we're kind of – when we describe the complexity of what we've got here, we have an immensely complex system. And rather than think of it as machine to machine, let's think of it as of a system of intelligence around what it is that we're actually trying to do and achieve.

And when we look at the – as you were talking about the change from technology in the last 20 years, the oldest piece of the technology that we're still using is the WAV file. It's 26 years old. This is an ancient piece of technology that conveys the digital gold of the music industry around the internet. And it has zero persistence. There's nothing to it. So the musician part of my brain says, when I export from Pro Tools into a WAV file, I'm going backwards in time. Now, being



asked to accelerate to a Martian landing with things like blockchain – well, first of all cloud would be the moon, then blockchain would be Mars.

So I think that we have to think about, like are we thinking about the wires that connect all of the parties, or are we thinking about the actual asset class itself, and is that something that we need to look at? When I look at companies like Facebook or Amazon, they take the human in the middle, and they develop all of these layers of information around the human. And they keep it kind of tightly packed, so they know preferences and where this should go. We don't have the ability to do that around the recordings. We do them around the information around the recordings and those people, which changes and updates. But I think we're thinking of this slightly backwards. If you want to create a system where machines can talk to machines, they have to speak a common language. And I think that that language is what we should be focusing on versus 100 ways to connect everybody in 100 different non-interoperable databases using different types of codes.

KENNEALLY: Right. So this is a business. When you talk about Google and Facebook and so forth, their business is knowing you and knowing everything about you they possibly can. What I hear you say is that we need to import that into the music business.

ROGERS: Yeah.

KENNEALLY: We need to know everything about the fan, about what they like, what they don't and what they bought and what they have yet to buy. And the reason for this is we can grow the business this way. You threw out some numbers to me. You think that this industry of ours, which you put out at \$18 billion at least probably – is that a global number? That's not a global number. That's the US.

ROGERS: I think it's more than now. I think it's \$22 billion, yeah.

KENNEALLY: OK. So something – \$20 billion plus. You think it can grow to \$100 billion.

ROGERS: Easily.

KENNEALLY: If we do this?

ROGERS: Yeah. The whole thing is there is no kind of organized intelligence around this in a formal way. It's everyone – you know, the artist themselves is sort of



becoming the interface. When people say, oh – I don't think people say, man, I want Spotify. They say, no, I want Beyoncé to be on Spotify. I want to listen to that artist. So that artist having the information that makes their art powerful and interoperable with these systems.

I think that the goal is this – and I'll just break it down for you simply – if I said to my daughter, who's five and a half years old, play music, she says, Alexa, play *Moana*. And *Moana* just shows up. She has no concept that someone sang it, no concept of the band, no bass player. She just – it just shows up. So I say to her, where does the music come from? And she says Alexa. She doesn't have any – none of this is part of her universe. Ideally speaking, if I'm an artist, I should be able to create my work and make it directly available to Alexa. Why all the middle stuff?

I know that in this room, there's a huge amount of people that are – and I've been part of it, too – are part of that middle stuff, which is all vital and important when it goes out to broadcast and all the other places. But I think that we have to organize an intelligent kind of logical system around the song and what basically can talk to the machine and say, yes, there are 50 different parties to the song. They don't all need to talk to the machine in the same way, but effectively there has to be a representative, an admin to that work that can do this back and forth in a way that machines can read each other and negotiate with other and figure out who owns what. I think they say in AI, anything repetitive that a human does, a machine will basically learn and do better.

So I love this idea that we're – I don't love this idea – that we're basically taking a 26-year-old file format, standards that have been created, mashing them all together, and then trying to get everyone to speak those common languages. Yet what I see happening is there's 500 different versions of the song coming out of a studio before it reaches the supply chain, and all of those living on different hard drives. I think we need to think about the organizing unit of music, and then we need to create a system of intelligence around that.

KENNEALLY: OK. So you're advocating for what I think you call make the song smart, although I think the other tweet that I just heard – and if it hasn't been tweeted yet, it better be now – which is the artist is the interface. I think that's a really interesting insight. But if we make the song smart, what role is blockchain playing in enabling that?



ROGERS: Blockchain is basically a way that everyone can read from the same page. It's harder to overwhelm a blockchain-backed system than it is to overwhelm a central system. It would be harder to hack a company that has distributed all of its logins and information than it would be to hack a single company – Equifax, for example. Sorry to bring it up this early. But I think that ultimately if you have to hack thousands of computers to start to effect change, I think that's where blockchain comes in, the caveat being I do not believe that the type of rights issues can be solved on the traditional currency-backed blockchains that we have now. I don't believe we've achieved scale or size in what's possible.

But I think that we should look to this as a way for an immutable ledger – which is key. You can't delete anything. You can append it forward, so you always have the change log in the history. It forces people to react. I've made a claim. Please react to that claim. And it also means that no one person can own it or push it over. That would be why I would propose blockchain – or why we are proposing blockchain for it.

KENNEALLY: Fair enough. Michael Simon, I want to turn to you, because that's the vision there, but you work in the day to day, so to speak. You hear a lot, I'm sure, about blockchain, as we all do. What's your sense of where we are in terms of moving in the direction Benji wants to go? Is this soon to be here or far off? Hold that microphone to your –

SIMON: It's soon to be here, and soon is going to last a very long time.

KENNEALLY: So it's always going to be five years from now. Is that –

SIMON: Well, the music business has been on the edge of becoming for about 90 years now. Going all the way back from piano rolls, Edison cylinders, technology is always ahead of the law. We're always in some moment of dramatic tension. And we have never gotten to the – you know, the giant Simpsons chord that comes out of the sky and everything begins? Every time we almost get to that moment, that generates just enough revenue for someone like my colleagues on the panel to create something new, and then we move forward. So we manage ourselves in a dynamic, recurring state of disruption.

So it's absolutely right now, and it's absolutely going to take a very long time, and we're going to labor through that. We are not a think tank at HFA or Rumblefish, so we spend a lot of time thinking about these ideas. But hundreds of hours a week, we're managing 20 million compositions against 80 million master



recordings from, say, 9,000 licensees and representing about 50,000 rightsholders, and so we're making that market every day and listening very closely to what all of my colleagues here are saying about how to do what we're doing better and faster and more efficiently, keeping in mind the dynamic tension in this conversation is no matter what we're talking about – this says machine-to-machine rights management, which is a fascinating second position to talk about.

The first position is, and I think it has been – you may disagree with it, but I think the first position is that this business really does start with creative human beings. The creative human beings may be a bass player or a band that doesn't have a bass player, because we've seen a few of those and they've sold a lot of records, or they secretly brought Redd Kross in and they played bass – anyway, but we never talk about that – the creative individuals. Creative individuals are not just musicians. Creative individuals are also people who work at the companies that are using their creativity to bring this together.

One of the edges that's coming out in all of this conversation is we're talking about we say they don't know and people don't know and how do we use and it's difficult to use, and there are a class of people who do know and do use and do know how to use. We all struggle with it, but that group of people for a very long time worked with tools that they brought to bear to the market for the creative class to then introduce their work into commerce.

Where Dae started is that world might be breaking apart. Distribution is being democratized. The tools of creation are becoming more accessible to everyone. And when you interject that into the world as opposed to 50 years ago – 50 years ago, if you had a lot of resources, you might be able to make a vinyl 45, maybe, as an indie. But you really needed to tap into a universe of ability for people to sign up to help you bring your work into the market.

We know that any one of us now on a Mac laptop out in reception – we could, this band, hum into that Mac, and we could go through my account with a distributor for my label, and we could upload it by 10:30. And I could set a release date – and it happens now, it used to be a little slower – but we could set a release date today of Friday. Maybe I'd need to call them to make sure they saw that. But if they took the call, which they would, we would be live online globally at 500 endpoints by Friday. That was not happening.

**KENNEALLY:** Right. And it sounds easy. It is easy. But the complicating factor is the data points. You have told me that as this world evolves, we are not simply seeing



a band of four, a couple of guys write the songs, there's a single publisher. The music that is issued today can have nine producers, more than a couple of songwriters – as many as they can fit on the label. This is a real contrast with the era of albums. It's not just that the technology has changed, but the complexity of the music, the creations themselves, the composition, and therefore –

ROGERS: Remixes and mash-ups.

KENNEALLY: Right. Therefore the licensing challenges and everything else have just grown exponentially.

SIMON: They have. But we tend to live in a universe that we – I say we – maybe I am the only human being on the planet who lives in this insular universe that occasionally forgets to look outside at what the rest of humanity is doing. The rest of humanity has dealt with complex businesses for a very long time.

If you look at the securities trading industry, to go to securities traders and say a single object of ones and zeros could be owned 2,000 times in the space of an hour and then come to our conference, and we say, you know, over the next three years, this song could be owned by five guys. They say, well, do you realize a share of Disney stock was bought, traded, made part of a derivative, was hedged, was collared, and then someone shorted it, then someone put it, then someone called it. Then they traded it, then they DWACed it, and then they closed the trade. And they did that all in a half an hour through machines.

There is a bleed. I've looked at that industry. There is a bleed of trades that don't actually close properly and transactions that don't match. But the securities trading industry, the automotive parts industry – they've dealt with that dynamic rights environment in a very robust world in which ownership and authority changes in milliseconds.

We might be behind the 8-ball not because of our inability to think about that or to come from other industries and understand that, but when we say the music business globally could be \$18 billion or \$22 billion, that's the equivalent of 75% of the gross revenue of Best Buy. One retailer that sells illuminated pens is a little bit bigger than the entire global music industry. There are individual large success pools in the industry, but we're still a very small industry. And maybe our industry is constrained by resources that, say, the securities trading industry would be less constrained to solve these problems. If you brought a bunch of NASDAQ people in and all the traders and the digital island people who have traded, they would say,



wow, this blockchain thing – you are 1,000% ahead of the music industry, and you are like 20 years ago in the securities trading industry.

ROGERS: What’s funny is my co-founder actually was part of the organization of the protocols for these derivatives, and that was what led to the thinking, was can we not apply that same logic so that you could do exactly what you described to a song? Again, if the song is smart, if the unit that you know you’re trading is smart and it’s all in one spot, you can move that around and split it up and do whatever you want. That was a lot of the thinking. But I 100% agree with you.

At the same time, the things that we as an industry create have made other companies absolutely enormous on the back of it in a large way, which is why I think that that there is so much more to play for once we can get the media to be smarter and more interoperable.

KENNEALLY: Right. Just an opportunity for you to tell us about some of the initiatives – you say that at Harry Fox, you’re doing a lot of listening, but you’re also doing a lot of action yourself. What are some things coming that you can tell us about?

SIMON: Well, we have a little less action today, because I see several of my colleagues here listening to me speak in public in ways that are much less dynamic than the way I speak in private – there are shorter words with harder endings on them in my office. But we are part of a –

KENNEALLY: It’ll be for the podcast extra. We’ll get there later.

SIMON: Right, we’ll get there. We’re part of a larger organization. HFA used to stand alone. It stood alone for 80 or 90 years and focused on mechanical rights reproduction. And what we thought, starting 10 or 15 years ago, is that the world was going to compress and that the different rights profiles – mechanical, public performance, synchronization, lyrics, derivative, display – are interesting to people in those verticals, that the market was going to demand a holistic and possibly global solution.

Companies like YouTube were very interested in a global rights license and across any right. The YouTube proposition was I want a global license that authorizes me to do everything I’m describing that I want to do. Our mindset is, OK, that’s a mechanical. Let’s talk about the mechanical. And they would say, no, I want to do this for the world. Give me the rights to do this for the world. As we saw the world more and more pushing in that direction, we thought we should bring



together mechanical, performance, synch, lyrics, tabs, audio-only, audiovisual, and we should try to operate subject to all the EU directives and every other challenge around the world on an international basis.

So over time, we did actually either engineer or have engineered upon us the combination of a mechanical rights organization with a performing rights organization, SESAC, with an organization called Rumblefish that was focusing on audiovisual rights representation and claiming micro-licensing, and bring that into a global marketplace. So we started doing deals ex-US.

What we're doing now – just a few key highlights – we have an entity called Mint, we've been speaking to publishers about, which is a multi-territory licensing organization, ex-US, which says, if you're a streaming service in Europe and you want a license from one entity to license across 12 countries, you can go to Mint. Mint is acquiring the rights to grant those rights to you. Mint is principally run out of our European offices, but we in New York are driving rights into that pool. We've brought 3,000 publishers or so and the rights that they control into Mint. That's not a PowerPoint. It's actually in operation. The technology exists. We are administering our first licenses for that now. So that's a multi-territory performance and mechanical rights license. That actually proves out the point of bringing the rights together and pushing it closer and closer to a global platform.

**KENNEALLY:** So we started with you talking about the artist, and I want to come back to the artist. You've had a chance to hear about the various initiatives here and some of the thinking behind the world, the future of machine-to-machine rights management. How far away are we, then, in your view? Do you feel like people are coming together? Is there a sense that people are working in some kind of harmony, to use another musical thought, or do you think that this fragmentation that has existed for so long is persisting?

**BOGAN:** Well, from an industry standpoint, yeah, I definitely think organizations are starting to work together. ASCAP BMI announced their initiative around the database that they're working on. As Michael mentioned earlier, HFA and Music Reports have been sharing data on some capacity. So I think there's organizations that realize that we can't just be this isolated, come to us or don't use us – you know, we're competitors – but interoperability is definitely important. If the industry as a whole is going to move forward and reach that number, there has to be interoperability between organizations, whether it's innovated through blockchain right now or in five years. But in the meantime, the organizations that are



operating with 50,000 rightsholders or whatever need to be operating in a competitive but also a cooperative manner.

That's kind of why TuneRegistry – we're still agnostic, where we want to work with everyone. We don't represent rights, so therefore we can work with everyone. All we are – sometimes when I'm talking to people trying to pitch it, they try to understand, like what is TuneRegistry? We say, oh, like the Gmail of rights. We deliver your data to the rights organizations. We don't own it. We don't represent it. We just make sure it gets to the delivery recipient in the way that they need it. That's kind of what we're trying to do.

Again, talking about the DIY musician, we've talked about all these initiatives, which all sound amazing, but there's not going to be an indie band that's going to get into Mint tomorrow, right? What is that gap between Mint or Songdex or Dot Blockchain Music and then the band in Portland? Where is that space? That's kind of where we're trying to play, is that space in between these amazing things that are happening and then these amazing artists who are creating the next big songs. How do they get into that? Again, at the end of the day, it's how do they get into that without having to give away 15%, 20%, 30% of your royalties to some intermediary who's going to do it?

KENNEALLY: Right. Michael Shanley, as Dae says, the focus is on the artist. We've been focusing on the artist throughout this conversation. But it strikes me too that the music world doesn't exist in a vacuum. In particular, there are a variety of regulatory regimes that put pressure on all of these efforts, and they're quite different. In the US, it's one set of rules. The Europeans – not entirely at the opposite end, but really see things in a quite different way. How does the regulatory regimes around the world impact all these efforts?

SHANLEY: Well, it's certainly significant. I think it actually is almost the opposite challenge – the US versus Europe, right? In the US, the digital service providers have the obligation of identifying everybody who owns the music that they're going to use. That's easier from a sound recording point of view, but on the composition side, you have to know the millions of composers who are involved in the creation of these works. Whereas in Europe, the pressure is on the rights owner to identify their works used in DSP monthly usage. So the owners in the European framework and regulatory system have to have these big data systems to process all this data on a monthly basis, whereas in the US, the DSPs really have to have those systems and the publishers have to have the systems to ingest the small amount of data that's being reported to them.



But like all my colleagues up here said, I think all of this starts with a human being. Everybody said that in a different way. And no matter what technology we apply to these systems, if a person doesn't know how to interact or create the data that they need to disseminate, it's just not going to get there. So we could evolve this technology, and I think technology evolves all the time, and I think we're getting to great places in technology. But education and information is, I think, paramount to this being ubiquitous.

**KENNEALLY:** Benji Rogers, as we wind things up, the role of blockchain technology, I think you would argue, is to create transparency, and that would be an ideal situation. So end on that note – how will blockchain lead us in that direction?

**ROGERS:** There's two ways to look at it, the first of which is that if everyone's reading from a common ledger which has a certain set of rules about how it operates – everyone can access it, everyone can read what's happening, and it's updated via consensus – then I think you're going to get less confusion. You're going to be arguing over a common thing in a common place versus having to go to several other parties, log in and figure out what they're doing and how much they're willing to give you and what they'll charge you for accessing that data.

The second thing is that you can also do things privately. There are both public and private blockchain systems. To me, it's about – there's a time-stamping kind of shared ownership of the ledger, which I think is extraordinarily interesting, and I think that that's what gives it that. But it's also the fact that there's this immutable source of information. If you put bad information in, it can be seen that you're entering bad information by the common ledger. And I think that if you're sitting there trying to rip somebody off, you're going to think twice about how often you want to do that, because people won't want to deal with you. So it is an honesty mechanism in one sense.

And I think the second thing is – and this is not my quote, but someone said to me – it reduces the cost of trust. Because at the moment, we have to trust each other. I trust you. You're going to hold my information in your Amazon cloud. So I've got to trust you and Amazon, or I've got to trust you and your box that's in your room. And I'm not saying get rid of cloud – don't get me wrong – I'm saying that we understand it like there is a methodology by which you could put all of the information into a common place that is public, and then you could share the private information between those who need to see it and build services on top of that that leverage cloud and machine learning and all of those amazing things. I



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just don't see everyone getting together in one common place and saying let's agree to this database, give these 25 people the keys, and take it from there. I think that's what blockchain will have to do.

KENNEALLY: Well, I want to thank our panel, then – our band, I should say – our supergroup – Benji Rogers with PledgeMusic and Dot Blockchain Music, Dae Bogan at TuneRegistry, Michael Simon, Rumblefish, and Harry Fox, and Michael Shanley at Music Reports. My name's Chris Kenneally. Thanks for joining me this morning. (applause)

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