

Major labels' licensing deals with AI companies: ECSA calls for transparent licensing agreements that truly value the works of composers and songwriters

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In light of the recent licensing deals announced by the three major labels – Universal Music Group (UMG), Warner Music Group (WMG) and Sony Music Group (SMG) – with AI companies Udio, Suno, and KLAY, the European Composer and Songwriter Alliance (ECSA) expresses its concern over the lack of transparency of those deals and calls on the music major labels to properly value the works of composers and songwriters.

Licensing agreements represent a long overdue and necessary first step to ensure AI companies respect copyright, enabling music creators to be remunerated for the use of their works. This is why, in June of last year, ECSA [welcomed](#) the legal actions taken by the Recording Industry Association of America (RIAA) and the three majors against Suno and Udio to ensure that these companies respect copyright and safeguard human creativity.

So far, both UMG and WMG have underlined that their recently announced agreements with Udio and Suno – which appear to cover both rights over the recording as well as the song rights – will empower and protect artists and songwriters, but provided very little detail about the involvement, consent and remuneration of music authors and artists. In our view, these licensing agreements present a real risk that major labels will replicate the licensing model of streaming in AI music services, undervaluing song rights while leveraging their dominant position in both the recording and publishing markets to unilaterally impose unfavourable terms for the music authors we represent.

We simply cannot afford a repeat of the music streaming model, whereby major record labels entered into early agreements with streaming platforms to secure favourable terms for their catalogues, including through ownership stakes. The consequences of those agreements are still deeply felt today, as music authors receive less than 10% of the revenues generated by music streaming. Against such a background, we strongly believe that any licensing deal should involve parity between publishing and master rights, and we implore UMG, WMG and SMG to provide transparency over the licensing terms they have agreed to on behalf of the music authors whose rights they represent and to ensure they receive their fair share. After having repeatedly asked for transparency from AI companies, we believe the three majors should now provide that same transparency to authors and performers.

Last but not least, we also call on European policymakers and competition authorities to duly consider the competitive dimension of these deals and their consequences for the European music market and cultural diversity, in particular in the context of UMG's acquisition of Downtown, which – if approved – would have severe consequences on free competition in the music market, to the detriment of music creators, music listeners and the entire European music sector.

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The European Composer and Songwriter Alliance (ECSA) represents over 30,000 professional composers and songwriters in 28 European countries. With 57 member organisations across Europe, the Alliance speaks for the interests of music creators of art and classical music (contemporary), film and audiovisual music, and popular music.

For more information, please contact info@composeralliance.org.