

PRS for Music Ringtone Licence



Summary of Key Terms and Conditions (Subject to Contract)

About this document	<p>This document is a summary of the PRS for Music Ringtone Licence. Please refer to the terms and conditions for royalty rates and full licence terms and conditions.</p>
Music use covered by the Ringtone Licence	<p>The Ringtone Licence covers performing and mechanical rights in musical works used as ringtones. The licence gives a ringtone service permission to:</p> <ul style="list-style-type: none"> • Create and store musical works as ringtones • Provide on-demand streamed previews to users of up to 30 seconds • Provide IVR services for users to purchase or preview ringtones • Deliver the ringtone to users' handsets in the UK
Rights and music use not covered by the Ringtones Licence	<p>The following uses are not covered by the Ringtone Licence and would need to be cleared directly with publishers/ copyright owners:</p> <ul style="list-style-type: none"> • Ringtones which incorporate more than 1 minute of a Musical Work • Audio Visual Material • Use with any advertising or sponsorship • The use of unauthorised arrangements, adaptations, parodies, burlesques and dramatico-musical works • The use of musical works in contexts which the licensee ought reasonably to consider as being prejudicial to the public standing of the composer, artist featured or relevant copyright owners <p>The following rights are not covered by the Licence:</p> <ul style="list-style-type: none"> • Moral rights • Graphic rights • The right to 'adapt' a musical work • The 'synchronisation' of musical works with images • The rights in sound recordings of musical works (applicable for realtones)
Royalty rate	<p>This is dependent on the type of ringtone offered and is calculated as a percentage of Gross Revenue generated by the service, or as a minimum fee per use. Please see Table 1 for the full Ringtone royalty rates and the full terms and conditions for Gross Revenue definition.</p>
Territory	<p>UK and 'agency territories'. Please see the full terms and conditions for a list of agency territories.</p>

Accounting and reporting	<ul style="list-style-type: none">• Services licensed under the Ringtone Licence are subject to quarterly accounting• A fixed advance payment is charged on a quarterly basis• These quarterly instalments, if unrecouped during the quarter can be carried over to subsequent quarters• Reporting on usage will be required within one calendar month of the quarter's end in our standardised format and reporting on revenues will be required within 21 days of the end of each quarter• Royalties are then payable for any balance above the quarterly advance
Duration of the Scheme	This scheme will run until 31 December 2009
Application Process	Completion of the Ringtone Licence Application Form
Contact details	If you have any queries please call the Broadcast and Online Licensing Team on 020 7306 4991 or email onlinelicensing@prsformusic.com

Table 1 – Ringtone Licence Royalty Rates

Ringtone Type	Royalty Rate	Minimum Royalty (Applicable if Greater than Royalty Rate)
Realtones	12% of applicable revenue	<ul style="list-style-type: none"> • 10p for each Realtone downloaded
Ringtones other than realtones (including mono and polytones)	15% of applicable revenue	<ul style="list-style-type: none"> • 15p for each ringtone downloaded

Gross Revenue Definition

User Fees	Gross revenue shall include all revenue received from users whether in the form of a la carte or subscription payments for the provision of ringtones or browsing of available ringtones. This includes revenue received when the ringtone is not actually delivered to the user, providing no refund has been made.
'In Stream' or 'In download' third party advertising	All sponsorship revenue received as a result of the inclusion of third party advertising at the start, end or during delivery of the ringtone.
Third party advertising when choosing or ordering a ringtone through a telephone based ordering service	All revenue received as a result of the inclusion of third party advertising when choosing or ordering through a telephone service
Third party advertising on a relevant page	All revenue received as a result of the placement of third party advertising on a page where ringtones are actually offered to users and the offering comprises 75% or more of the total space, excluding advertising space. Revenue received from advertising included on following pages leading up to and including the actual download or stream shall also be included.

The applicable revenue received from the placement of third party advertising on a relevant page with a mixture of offered content shall be subject to the following rates:

Combination of Ringtones and and content licensable under the Online Music Licence (OML)	Where mixed content comprises 75% or more of the space on a single page (excluding advertising space), the royalty rate is 10% of the third party advertising revenue received.
Realtones and other types of ringtones (eg mono and polyphonic) offered and no other content licensable under the Online Music Licence	Where the offering of realtones and other types of ringtones comprises 75% or more of the available space (excluding advertising space) the royalty rate is 13.5% of the third party advertising revenue received