

Sony/BMG sued on downloads

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Allman Brothers, Cheap Trick Challenge Sony BMG Accounting

The Allman Brothers and Cheap Trick have recently lodged class-action proceedings against Sony BMG, claiming that their digital royalties are simply too small.

The action focuses on exactly how digital downloads are being counted, and both bands are alleging that Sony BMG is using antiquated royalty formulas derived from physical product sales. That includes deductions for product breakage and packaging charges, according to the plaintiffs. The contracts for both groups were finalized prior to the advent of digital formats, and have not been updated. Moving forward, the groups are pushing to have their digital sales categorized as a license, which would increase the royalty percentage substantially.

The problem is a significant one for older artists, many of whom have antiquated contracts. "Sony Music is presently engaged in a widespread attempt to underpay its recording artists," said attorney Brian Caplan said.

"With the technological advancements in the music industry, where many people download songs to their iPods and other portable devices, it is essential that artists receive the royalty income to which they are entitled." The filing contends that the group currently earns \$45.05 for every 1,000 songs downloaded, or 4.5 percent. The group is pushing to increase that compensation level to \$315.50, a seven-fold increase.

The lawsuit was announced on Thursday.