These notes are for reference purposes only. Access to the Master Use Licence and these notes does not constitute the provision of legal advice by either the ISM or its partners. Those using the contract and these notes do so strictly on the basis that no liability, in relation to the use of the contract or the notes, is accepted by the ISM or its partners.

You are strongly advised to seek independent legal advice before entering into any contract. ISM full and student members are entitled to free legal advice in relation to the use of these template contracts from the ISM legal team.

Composers may use this agreement to licence to third parties the non-exclusive right to synchronise a master recording or recordings (Master(s)) in an audio visual production. In this case the audio visual production is stated as being a film, but it could equally be a television programme, commercial, computer application or video game.

This agreement is drafted in accordance with current industry practice. The Special Terms section covers commercial terms which will be specific to each separate agreement. The General Terms and Conditions section covers standard industry provisions which should always stay the same.

Composers wishing to licence rights in musical compositions for the same purpose should refer to the Synchronisation Licence.

The numbers below correspond to footnote numbers in the agreement itself.

Special Terms/Licensor – If you have an exclusive recording agreement then consider whether your record company should be the licensor for the recording in question.

Special Terms/Licensee – Make sure you state the full legal name of the licensee, their company number and registered office address.

Special Terms/Film – Be careful to state precisely the name of the production. For example if a television series then state the name of the series and the specific episode, if a film state the full name of the film so it is clear no prequel/sequel rights or repeat use rights (for instance a theme tune for a sitcom) are being granted. Prequel/sequel rights or repeat use rights should be subject to additional fees. If any of these rights are requested you should seek expert advice on option provisions before agreeing terms.

Special Terms/Use/Context – The licensee should be able to describe the context of the film in which the Master is used (for example ‘car chase’, ‘football match’ etc). Use in the opening or closing titles normally commands a higher fee.

Special Terms/Duration of use – The licensee should be able to tell you the exact length of time the Master is used for. If not consider capping the maximum length – for example 20 seconds. A longer use should command a higher fee.

Special Terms/Term – For feature films, documentaries and television productions this is usually the life of copyright. The term of use for Masters in commercials or endorsements tends to be capped (for example at 1 year) with the Licensee having options to extend the term subject to payment of a fee. If you need to consider option provisions and option fees you should seek expert advice before agreeing terms.

Special Terms/Territory – For feature films, documentaries, television productions and video games this is usually the world. The territory of use for Masters in commercials or endorsements is often limited in the first instance (for example, to the United Kingdom and Eire) with an option to extend the territory subject to payment of a fee. If you need to consider option provisions and option fees you should seek expert advice before agreeing terms.

Special Terms/Licence Fee/ Favoured Nations Basis / General Terms and Conditions clause 3.4 – You should always ask for Favoured Nations terms as this means the licensee has to pay you at the same rate as other licensors of musical works and recordings for the production. NB. the licence is not effective until the licence fee has been paid.
General Terms and Conditions clause 4 – It is customary for licensors (i.e. the person granting the rights) to cap their liability at the total amount of the fee paid. You should strongly resist any attempt to increase your liability.

General Terms and Conditions clause 6.2 – Due to the nature of film and television production and distribution it is customary for the licensor’s (i.e. the person granting the rights) rights in the event of a breach of the agreement by the licensee to be limited to damages rather than being able to terminate the licence outright.