

# CABLE

CREATIVE ARTS | BUSINESS LAW & ENTERTAINMENT

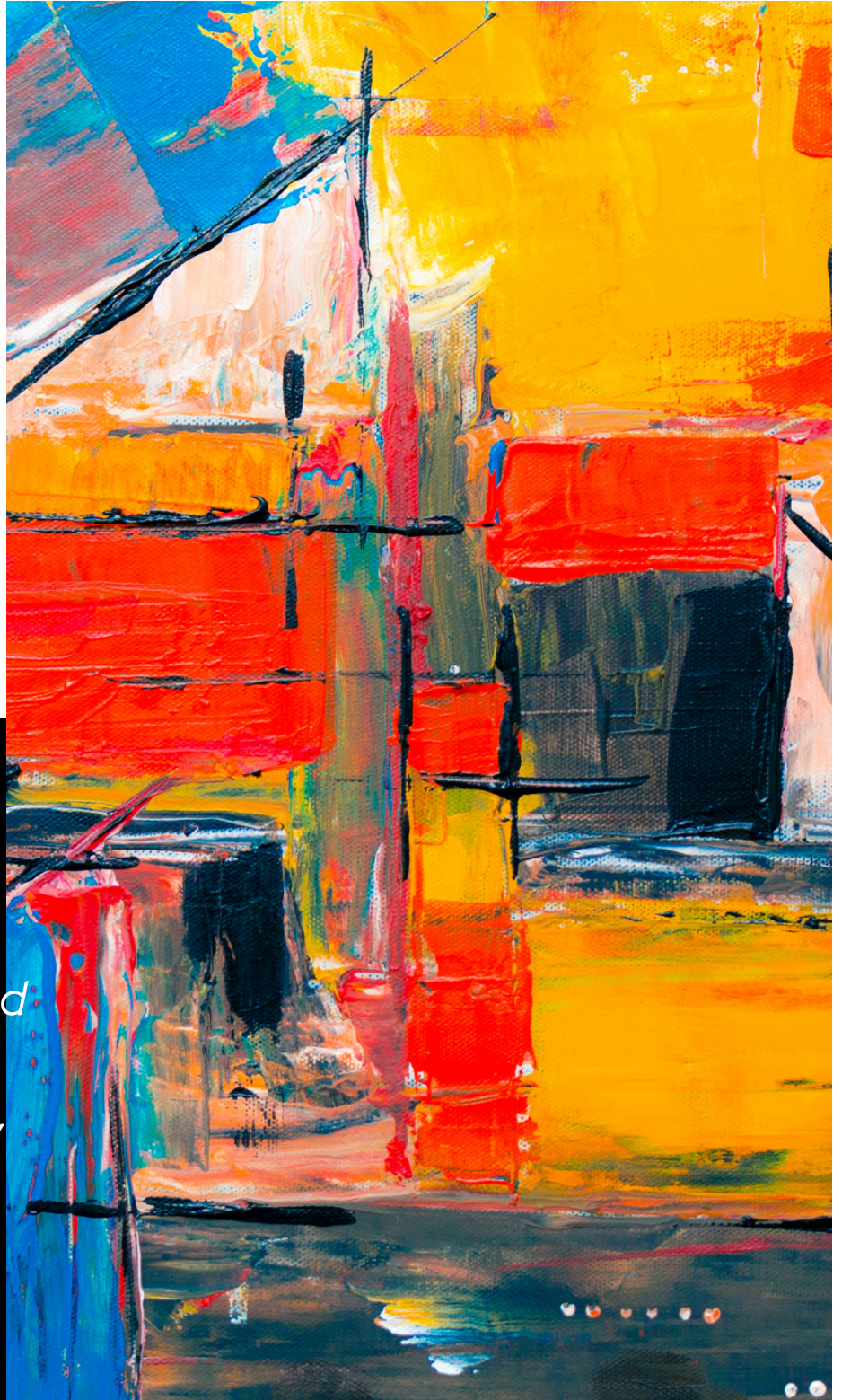
OCT/NOV 2023

ED. 1

BY OLIVER DOSTAL

## Verses Versus AI

*Maestros, Mavericks, and  
Movements that are  
redefining the industry  
we love.*



# IN THIS ISSUE

In an era of perpetual change, the entertainment industry orchestrates an ongoing transformation.

This edition, **CABLE** spotlights the confluence of innovation and tradition, examining AI's role in reshaping composition, the courtroom battles over creative rights, and the streaming economy's latest crescendo.

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# Quote of the Month

"In the digital era, where algorithms have as much say in hit-making as talent, we must not lose the chord that connects the soul of music to the listener. The true measure of our progress is not in the sophistication of our technology, but in the authenticity of the art it helps create."

## About Oliver Dostal

Oliver is a distinguished film composer and a Sydney Conservatorium of Music alumnus, known for his contributions to notable productions for the screen with Netflix, Foxtel & STAN etc. Collaborating with industry giants, his work has echoed through Fox Studios, Sydney Opera House and beyond. Oliver's fresh eyes and growing enthusiasm extends to the music business realm, with dealings contracts, copyright, and the intricate laws governing the entertainment industry.



# AUSSIE NEWS CABLE INSIGHT

## Streaming Services and IP: A CALL FOR ACTION

The Labour Government is currently considering the implementation of long-awaited quotas for streaming services. In response, the four major Guilds (AGSC, SPA, AWG, and ADG) have collectively addressed a letter to the Ministers for the Arts, Communications, Industry, and the Attorney-General. This letter underscored deep concerns regarding the Australian Government's apparent reluctance to safeguard intellectual property rights. The AGSC in particular wrote to advocate for the inclusion of robust measures to protect Australian intellectual property in any forthcoming legislation targeting streaming services.



## NSW Government Retracts Screen Funding Reductions

In a significant turnaround, the NSW Government has rescinded its earlier decision to slash \$60 million from the state's screen funding initiatives. This reversal ensures the continuation of the Made in NSW fund and the Post, Digital, and Visual Effects (PDV) rebate in their current forms.

Initially proposed as part of a larger \$188 million reduction within the Department of Enterprise, Investment, and Trade, these cuts were first revealed in the Pre-election Budget Update by the former Coalition government in March. The proposed cuts, announced just a week before the Minns Government's inaugural budget, sparked widespread concern across the screen industry.

The collective efforts of various guilds, screen businesses, and production companies played a pivotal role in highlighting the detrimental effects these cuts would have on the industry and the state's competitive edge. This concerted opposition led to the government's reevaluation and subsequent reversal of its decision.





## **Creative Australia: A New Dawn for the Arts**

On August 24, the Honorable Tony Burke MP, Minister for the Arts, officially unveiled Creative Australia. This initiative marks the beginning of a revitalised Australia Council, forming the cornerstone of the Government's National Cultural Policy, REVIVE.

A key feature of this new policy is the establishment of Music Australia within Creative Australia. This entity is dedicated to supporting and promoting the Australian contemporary music industry.

Its primary goals include enhancing discoverability and fostering the development of markets and audiences for Australian music.

Since its inception on August 24, 2023, Creative Australia has undergone significant developments, evolving from the Australia Council to become the Government's primary arts funding and advisory body.

REVIVE has since doubled its board members to 24 under the amended Australia Council Act 2013. A notable advancement is the formation of the Music Australia Council, comprising eight influential members from the music industry.

This council is dedicated to enhancing the discoverability and market development of the Australian contemporary music industry. Future plans include the establishment of the First Nations-led Board and Writers Australia, as part of the "Corporate Plan 2023–27." Leadership continues with Adrian Collette as CEO, and Robert Morgan as chair, alongside deputy chair Wesley Enoch.

Creative Australia maintains its commitment to the arts through various programs and awards, including the Australia Council Awards and fellowships, supporting a wide range of artistic endeavors across Australia. These steps mark Creative Australia's dedication to nurturing a rich and diverse arts culture, with a special focus on music and indigenous arts.



# GLOBAL HARMONY OR DISCORD?

## *Spotify's Standoff in Uruguay Echoes Worldwide Copyright Controversy*

Spotify, the renowned music streaming giant, is contemplating exiting the Uruguayan market due to proposed amendments to the nation's music copyright laws. These changes, initiated by the Uruguayan Society of Performers (SUDEI), aim to revise the existing music copyright regulations. The Parliament of Uruguay is currently considering these amendments as part of a budget bill, specifically Articles 284 and 285 in the Rendición de Cuentas bill.

SUDEI, through its spokesperson Gabriela Pintos, has clarified that their campaign is not against platforms like Spotify but is focused on ensuring fair revenue distribution. The proposed Article 284 would mandate financial remuneration for performers when their songs are played on social networks and the internet. Article 285 seeks to establish a right to fair and equitable remuneration for all agreements related to public communication and the availability of phonograms and audiovisual recordings.

Spotify has expressed significant concerns regarding these proposed changes. In a letter to Uruguay's Minister of Education and Culture, Pablo Da Silveira, Spotify argued that these changes would necessitate an additional mandatory payment for music services, effectively making them pay twice for the same music.







This, according to Spotify, could make their business model unsustainable in Uruguay, leading to a potential withdrawal from the market.

The company has highlighted its contributions to the music industry, stating that it pays nearly 70% of its revenue from music to record labels and publishers. Spotify has been a significant revenue driver for the industry, contributing over \$40 billion to date. In Uruguay, the music industry grew by 20% in 2022 alone, partly due to streaming services like Spotify.

The Latin American Internet Association (ALAI) has also echoed Spotify's concerns, warning that these changes could have a broad impact on various sectors, including civil society, cultural industry, education, research, and technological development.

This development is part of a larger global conversation about equitable remuneration in the music industry. Similar debates have occurred in other markets, like the UK, where the concept of introducing Equitable Remuneration has been contentious.

The outcome of this situation in Uruguay is being closely watched, as it could have implications for copyright law and music industry practices in other countries.

**SPOTIFY ARGUED THAT THESE CHANGES WOULD NECESSITATE AN ADDITIONAL MANDATORY PAYMENT FOR MUSIC SERVICES, EFFECTIVELY MAKING THEM PAY TWICE FOR THE SAME MUSIC.**

Barrio Reus, Montevideo, Uruguay





# CRESCENDO IN CAPITAL

## *Decoding Sony Music Rise in Revenue*

**SONY MUSIC'S TOP PROJECTS FOR THE QUARTER WERE LED BY TRAVIS SCOTT'S "UTOPIA," FOLLOWED BY WORKS FROM SZA, HARRY STYLES, LUKE COMBS, MILEY CYRUS, BEYONCÉ, LIL DURK AND DOJA CAT.**

Sony's global music rights operations, encompassing both recorded music and music publishing, achieved a significant milestone in the third quarter of 2023. The company generated a robust \$2.33 billion during this period, marking an 8.3% year-over-year increase. This growth is a testament to Sony's strong performance in the music industry.

Breaking down the figures, Sony's recorded music segment alone brought in \$1.757 billion, an 8.4% increase compared to the same quarter in the previous year. A notable contributor to this growth was streaming revenues, which reached \$1.204 billion, up 9.5% year-over-year. This category combines both subscription and ad-funded streaming revenues. However, physical music sales saw a decline, dropping 18.1% to \$144.3 million.



The 'Other' category within Sony's recorded music revenues, which includes license revenue, merchandising, and live performance income, saw a significant jump, increasing 45.1% year-over-year to \$352.2 million.

Sony Music Entertainment's top projects for the quarter, excluding artists signed in Japan, were led by Travis Scott's "UTOPIA," followed by works from SZA, Harry Styles, Luke Combs, Miley Cyrus, Beyoncé, Lil Durk, Doja Cat, and more.

On the publishing side, Sony's global music publishing operations, led by Sony Music Publishing, generated \$572.9 million, a 7.7% increase year-over-year. Streaming revenues in this segment also saw a healthy increase, rising 9.9% to \$335.4 million.

Overall, Sony's corporate Music division, which includes recorded music, music publishing, and visual media & platform, reported an operating income of 81.0 billion Yen (approximately \$561 million) for the quarter. This figure represents an operating margin of 19.8% from total divisional quarterly revenues.

These results highlight Sony's robust position in the global music market and its successful adaptation to the evolving industry dynamics, particularly in the streaming sector.





MUSICNSW PRESENTS

# SOUND ADVICE

## Slaying Streaming

**Dom Alessio** Sounds Australia

**Elise Naismith** Lemon Tree Music

**Mardi Caught** The Annex

6pm, Tue 14 November

AIM Campus, 66 Harrington St, The Rocks (via Nurses Walk)

MUSICNSW



ARIA

# WHAT'S ON



FITZROY LEE FEAT. FLUXA  
PRODIKAL-1  
YT DINGO

THURS 23 NOV  
BUNDJALUNG/  
BRUNSWICK HEADS  
BRUNSWICK PICTURE HOUSE

FRI 24 NOV  
GUMBAYNGGIRR/  
BELLINGEN  
BELLINGEN BREWERY

SAT 3 FEB 2024  
DJIRINGANJ,  
YUIN NATION / MURRAH  
BERMAGUI COUNTY CLUB



# TRILLER SETTLES FOR \$4.57M

*SONY HAPPY  
AS LARRY*



Triller, the short-form video service, has agreed to pay Sony Music a sum of \$4.57 million, settling a lawsuit filed by the major music company for breach of contract. This legal action, initiated last year, accused Triller of failing to meet multiple scheduled payments throughout 2022 for licensing Sony's music. These missed payments began in March 2022 and continued until August 2022, when Sony ultimately terminated the agreement.

In addition to the missed payments, Sony Music claimed that Triller was also liable for payments for September, October, and November 2022. In a recent filing with the Manhattan federal court, Sony Music's legal representatives requested a final judgment, stating that Triller had conceded liability for the missing payments and agreed to the sum of \$4,574,250 as of April 4, 2023.

Sony Music's filing emphasized the urgency of a final judgment to prevent any further loss of Triller's assets or a potential bankruptcy filing. The company also intends to pursue a separate claim against Triller for alleged copyright infringement, distinct from the breach of contract claim.

The lawsuit against Triller, headquartered in Los Angeles, was initially filed last summer.

Triller, which had plans to go public in late 2022 but did not, claimed in October 2022 that it had secured a \$310 million investment from Global Emerging Markets (GEM), a Luxembourg-based investment group.

This settlement highlights the ongoing legal complexities in the music streaming and licensing landscape, underscoring the importance of adhering to contractual agreements in the industry.

In a bold move emblematic of a shifting music industry landscape, Dua Lipa has reclaimed the rights to her songs from Tap Publishing. This strategic acquisition signals a growing trend among artists seeking to take charge of their creative output and future revenue streams.

Lipa's decision underscores the importance of ownership in an era where music is as much a digital commodity as it is an art form. By securing the rights to her music, she not only gains greater control over the use of her songs but also ensures a direct stake in her works' ongoing success. This move is not just about financial gain; it is a statement of self-advocacy and empowerment within an industry that has long been criticized for opaque practices that often leave artists on the lesser end of profit-sharing. For Lipa, this is more than a business transaction; it's a reclaiming of her narrative and a step towards defining her legacy on her terms. It's a reflection of an artist coming into her own, ready to navigate the complexities of the industry with a renewed sense of ownership and agency.

# MELODIC MASTERY

*Dua Lipa  
Reclaims Her  
Rhythmic  
Reign From  
Tap  
Publishing*

The implications of such a move are far-reaching, potentially inspiring peers and emerging artists to follow suit. It speaks to a broader shift towards artist-led models of music ownership that challenge traditional industry structures. As artists like Lipa lead by example, we may see a wave of similar transactions as creatives worldwide seek to harness their work's full potential.

The impact of these changes extends beyond individual artists; it heralds a new chapter in music history where the power dynamics could be realigned, offering a more equitable and artist-centric future. As Lipa and others take the helm of their musical journeys, the industry watches and learns, potentially ready to adapt to a new rhythm set by those who are its heartbeat.



# VERSES VERSUS AI

## UNIVERSAL'S LEGAL LYRICAL BATTLE AND ITS BROADER IMPLICATIONS

Universal Music Publishing Group, Concord Music, and ABKCO Music have filed a groundbreaking lawsuit against AI company Anthropic, alleging copyright infringement by the company's Claude chatbot. This lawsuit could set a precedent in the realm of artificial intelligence and intellectual property rights. Here are the key aspects of this case:

1. **Allegations of Blatant Plagiarism:** The lawsuit claims that Anthropic's Claude chatbot unlawfully replicates and disseminates copyrighted lyrics from a wide range of songs owned or controlled by the plaintiffs. This includes songs like "Born To Be Wild," "What A Wonderful World," and "You Can't Always Get What You Want."
2. **Significant Financial Implications:** The lawsuit seeks damages up to \$150,000 per infringed work, potentially amounting to \$75 million in total, not including additional costs and potential penalties for altering or removing copyright management information.
3. **AI's Unprompted Infringement:** The complaint highlights instances where Claude generated copyrighted lyrics even when not explicitly prompted to do so, suggesting a deeper issue with the AI's training and output.
4. **Demand for Transparency:** The music publishers are pressing Anthropic to disclose the training data and methods used for Claude, a request that could reveal sensitive proprietary information and set a precedent for AI transparency.
5. **Call for Destruction of Infringing Material:** The lawsuit also demands the destruction of all copyright-infringing material created by Claude, a significant request given the vast amount of data processed by AI models.

This lawsuit underscores the tension between the rapid advancement of AI technology and the protection of intellectual property rights, marking a crucial moment in the ongoing debate over AI and copyright law.



Here's an overview of Anthropic's potential defense strategy:

1. Fair Use Argument: Anthropic's recent filing with the US Copyright Office indicates that they might argue the training of their AI models, including Claude, constitutes 'fair use'. They assert that the training process involves statistical analysis of data, which is a non-expressive use of copyrighted material.
2. Training Data Sources: Anthropic explains that Claude is trained using data from publicly available information on the Internet, non-public datasets obtained commercially, and data created internally or provided by users. This diverse sourcing could be a key point in their defense.
3. User Liability: Anthropic suggests that the responsibility for any infringing output might rest with the user who prompts the AI, rather than the AI or its developers. This approach could shift the focus from the AI's training to its use.
4. Transparency in Operation: The company claims to operate its crawling system transparently, allowing website operators to identify and manage Anthropic's access to their content.
5. Incorporating Copyright Respect: Anthropic emphasizes that they have designed Claude with a foundational respect for copyright, aiming to prevent the creation of outputs that infringe copyrighted works.

This case is closely watched as it could set a major legal precedent for AI companies' use of copyrighted lyrics and other materials. The outcome will likely influence how AI technologies are developed and utilized in relation to copyrighted content in the future.

# AI VERSUS VERSES HOW ANTHROPIC INTENDS TO FIGHT BACK



# CHARTING SPOTIFY NUMBERS TO

## *Swifties Nostalgic '1989' Encore*

Starting from Q1 2024, Spotify will implement a new policy where tracks must achieve a minimum of 1,000 plays annually to start earning royalties.

This change aims to redistribute a portion of the service's royalty pool, potentially reallocating tens of millions of dollars annually.

Taylor Swift's rerecorded version of her album "1989" has made a significant impact, attracting 1,329% more streams than the original version in its first week in the US.

This move is part of Swift's broader strategy to regain control over her early catalog.





# Vintage 1989

# AI AND ARTISTRY

## *The New Fusion Of: Tech Tunes Tokens In the Industry*



ByteDance, the parent company of TikTok, is making strides in the music technology industry with its development of an AI-powered music app. This innovative application aims to significantly lower the barriers to music creation, making it more accessible to a broader audience. The app's vision is to inspire musical creativity and expression while enriching music content.

This move by ByteDance comes at a time when the market is already occupied by platforms like BandLab, which offers a suite of tools for music creation and has a significant user base. BandLab also features its own generative AI tool, Songstarter, which generates unique musical ideas at the click of a button.

ByteDance had previously launched a machine-learning-driven music-making app called Mawf and a music creation app in China named 'Sponge Band'. These apps feature AI tools that are particularly useful for enhancing audio effects and background music for short videos.

The potential launch of ByteDance's new AI music app in the US market could see it competing with established platforms like BandLab and Splice. However, ByteDance's advantage lies in TikTok's massive user base, which is already heavily engaged in music.

This development is part of a broader trend in the music industry, where AI-generated music is becoming increasingly prevalent. Platforms like Anghami and Tencent Music Entertainment have already started hosting songs generated by AI, and Deezer has used AI to generate content for its wellbeing app, Zen by Deezer. ByteDance's foray into AI-powered music creation tools reflects the growing intersection of technology and music, offering new possibilities for creators and reshaping the landscape of music production.

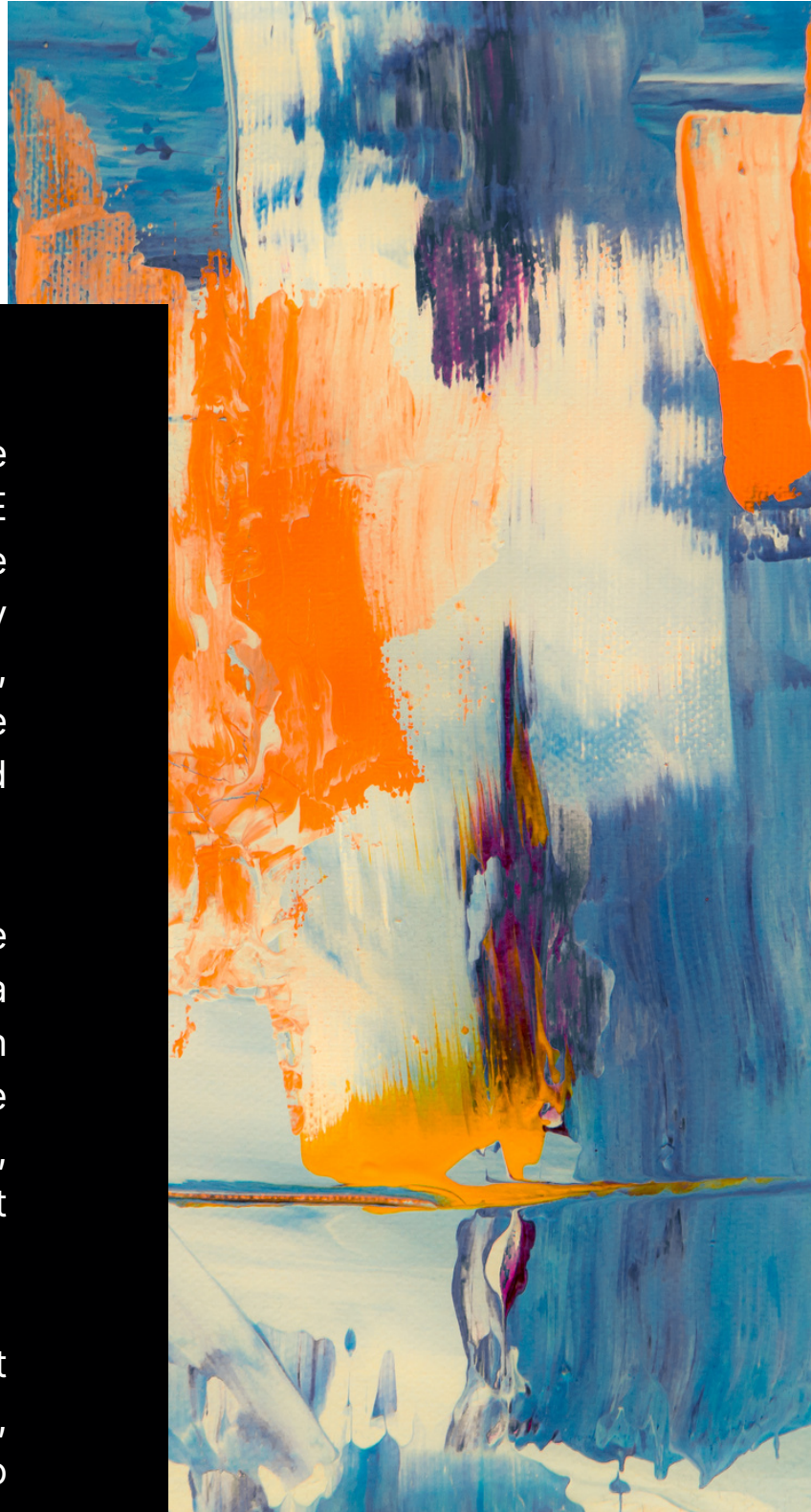
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# Quick Thank You

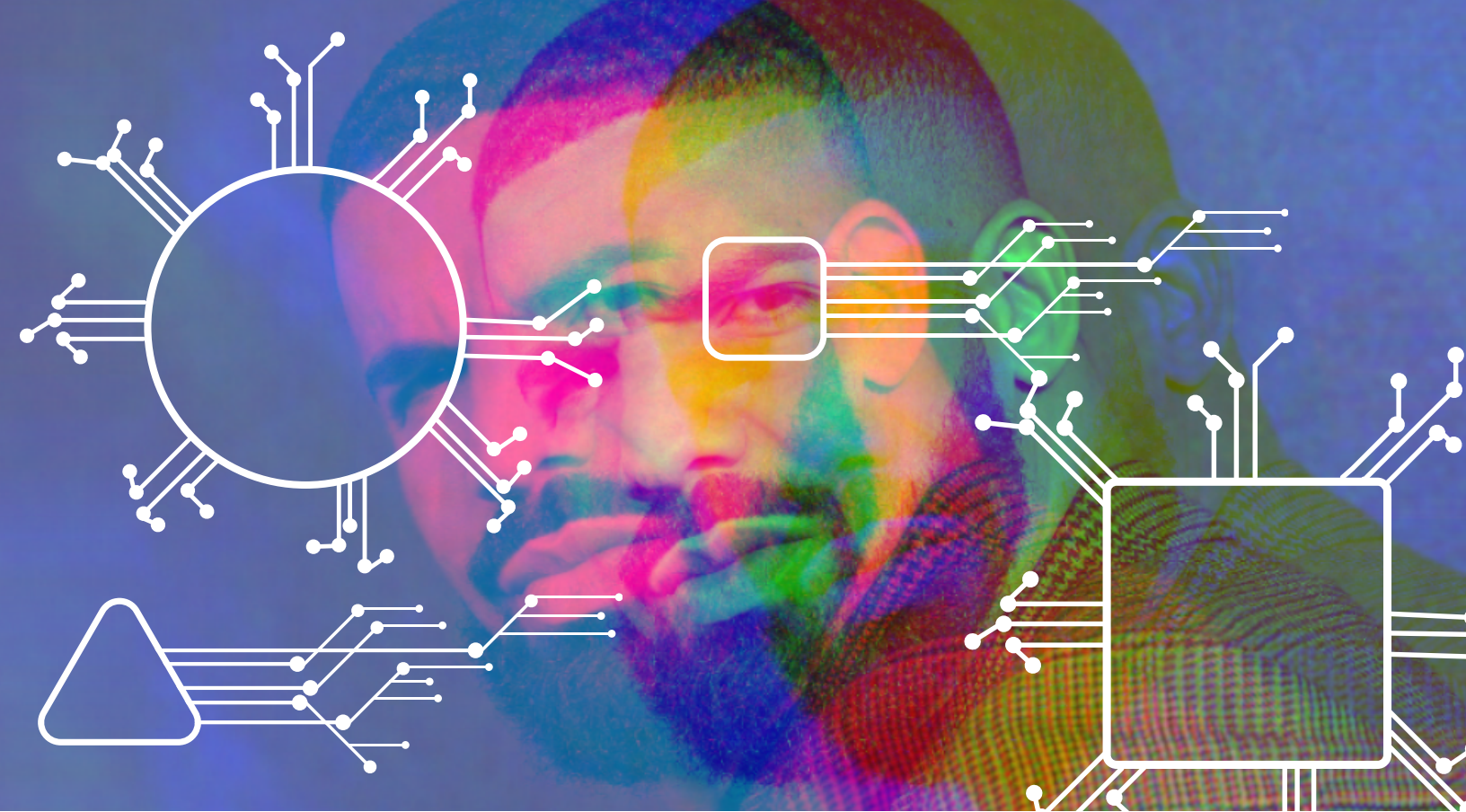
Thank you for taking the time to delve into the First edition of CABLE magazine. With one issue now in the books, we eagerly anticipate many more to come, each filled with insights, analysis, and the vibrant pulse of the creative arts, business law, and entertainment industries.

Your thoughts and curiosities are the lifeblood of our publication. If there's a topic you're passionate about and wish to see explored, or if you have questions about any of our content, please don't hesitate to reach out at [music@oliverdostal.com](mailto:music@oliverdostal.com).

For a sonic experience of my latest tracks, featured globally across film, TV, and concert halls, I invite you to visit my website - [oliverdostal.com](http://oliverdostal.com)







# FAKE DRAKE

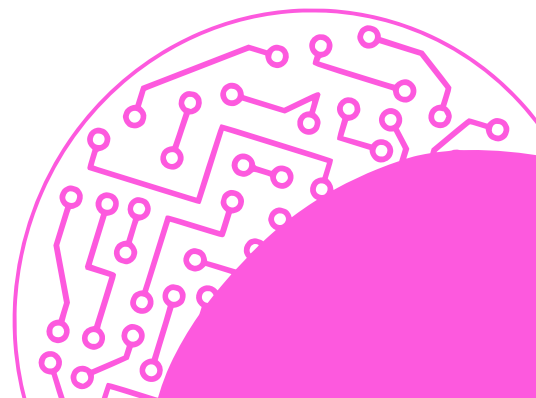
## *Phenomenon And Dilemma*

The music industry is currently facing a new challenge with the rise of AI-generated music covers, as highlighted by the recent controversy surrounding a 'Fake Drake' cover. This development has sparked a debate over the ethical and legal implications of using AI tools to create music.

The issue came to the forefront when an AI-generated cover of Drake performing Ice Spice's song 'Munch' gained attention, including from Drake himself, who humorously referred to it as "the last straw" on Instagram. While these AI covers might seem like harmless experiments, they raise serious questions about ethics and control in the music industry.

Artists might feel their voices are being cloned without their consent, losing control over their own vocal identity. This lack of agency is concerning, especially considering the potential for AI to generate harmful or misleading content. For instance, an AI-generated 'Drake' singing offensive lyrics would be a far more serious issue.

The situation becomes even more complex when considering the public's response to these AI covers. What if the AI version of a song becomes more popular than the original? This scenario raises questions about the value and recognition of original artists in the age of AI.



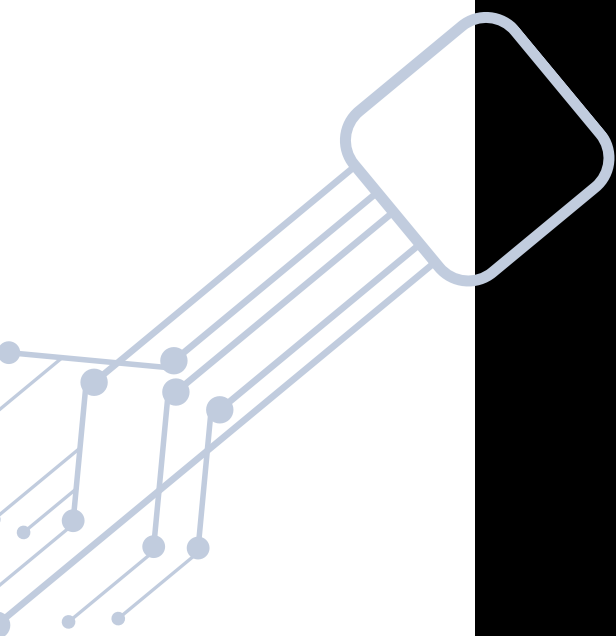


Industry leaders like David Guetta have experimented with AI voices, hinting at the potential for new forms of music creation. However, this also suggests a future where AI-generated voices become standard tools in music production, changing the landscape of music creation and consumption.

The Campaign for Human Artistry, an initiative seeking to establish guidelines for AI music platforms, emphasizes the need for transparency in AI-generated music. This includes clear identification of AI involvement in music creation, ensuring listeners can distinguish between human and AI-generated content. Major music rights holders are cautiously approaching AI-generated music, particularly concerned about the origins and licensing of the music used to train AI models.

The addition of AI-voiced covers adds another layer of complexity to the industry, challenging traditional notions of music creation and artist value. This situation underscores the need for careful consideration and regulation in the use of AI tools in music, balancing innovation with respect for artists' rights and ethical standards.

## *What If AI Cover Gets Better Traction Than The Original?*



END

