

Rick's Place

Notes, Thoughts, and Random Musings on the Online Experience by Rick Hein, AMIS web master

We love the Beatles, and it has been painful being at odds with them over these trademarks. It feels great to resolve this in a positive manner, and in a way that should remove the potential of further disagreements in the future.

Steve Jobs
Apple Inc.

It is great to put this dispute behind us and move on. The years ahead are going to be very exciting times for us. We wish Apple Inc every success and look forward to many years of peaceful co-operation with them.

Neil Aspinall
Apple Corps

Thus ends the madness. Now the rumour mills can swing into overtime and assay the significance of Steve Jobs using a song from "Sergeant Pepper's Lonely Hearts Club Band" in his demonstration of the iPhone in January and George Martin and son remixing the The Beatles' canon for the *Cirque du Soleil* show *Love*.

The music of The Beatles is amongst the most strictly controlled in all of popular music. Their CDs have been carefully matched to their albums, despite the fact that a CD can hold more songs than a long playing album. No bonus tracks - only two "new" cds. They have refused to have their songs used as "partner songs" or parts of an arrangement mixing other songs with their tunes. They famously have not allowed their music to be used in advertisements. Those that have appeared in ads are part of the historic sale of the assets of Northern Songs, a company created to control the publishing rights for the Lennon and McCartney songs. When The Beatles formed Apple Corps, they wanted to pull the publishing for all of their songs into their core business, so Northern Songs had to be dissolved. Unfortunately, the closed bid auction had an unknown party enter. This unknown party won the auction, much to the chagrin of Lennon and McCartney and was revealed to be none other than Michael Jackson. That means that every time Paul gets out the acoustic guitar at the end of the

concert, sits on the stool and sings *Yesterday*, Michael Jackson gets paid.

The publishing rights are the real earners of the music business. Sure, CD sales are important the first few years, but over the duration of the copyright, (there's that word again), publishing royalties are paid every time the song is performed in any medium in any location in the world. They may only be a few pence, but think how many times a song is played on the radio, in an elevator or on the television. Yes, that was every where in the world. In every elevator. Any radio station. Now we add "sold as a digital download".

The Beatles also have never allowed their music to be sold for digital download. the songs may have appeared in peer-to-peer networks or torrents, but those instances are due to individuals sharing their private collections. The record labels have tried to find a way to control this illegal duplication and distribution of copyright material. In the US, the Recording Industry Association of America (RIAA) has sued people it has identified from subpoenas served on Internet service providers. These people were accused of sharing thousands of songs. Doesn't sound like much, but two or three cents times a thousand songs shared with a thousand people makes for a significant piece of change. If a million people are sharing a thousand songs with a million people, it is a very significant piece of change.

If the iTunes Store becomes the sole provider of The Beatles music, both companies believe the revenue will be unbelievable. Rumour has it that there may be a Beatles iPod, preloaded with their songs and a special design just as Apple introduced a special edition U2 iPod. Apple Inc. has had tremendous success with the iPod and the iTunes store. Record companies like the fact that the music has a digital rights management system (DRM) that actually works. They thought they would have a better experience with the Microsoft produced Zune, but were disappointed to find that the DRM system that was guaranteed to play didn't play on the new device. The record industry has been pushing Apple to allow different prices for the songs on iTunes and were pleased that Microsoft allowed variable pricing. Sadly, the Zune store requires advance payment and money is converted into "Zune Points" potentially confusing the purchasing public.

Our digital future burns bright. High quality recording becomes more affordable, the hardware becomes more greater in capacity and smaller in physical size. With the iPhone, the 3G phone and other multifunction devices we are entering the age of convergent technology. All our individual devices will become multipurpose devices. Look at the development of the personal computer - it is no longer enough that it performs calculations quickly - it must now manage our addresses, music libraries, video files, communications and more.

The past thirty years have been a wild ride, but the ride is just beginning. In the words of The Beatles, "You've got to admit it's getting better." Hold on to your hats - it's going to be fun!

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