

Music Data and the Blockchain: A Perfect Marriage?

Ken Umezaki

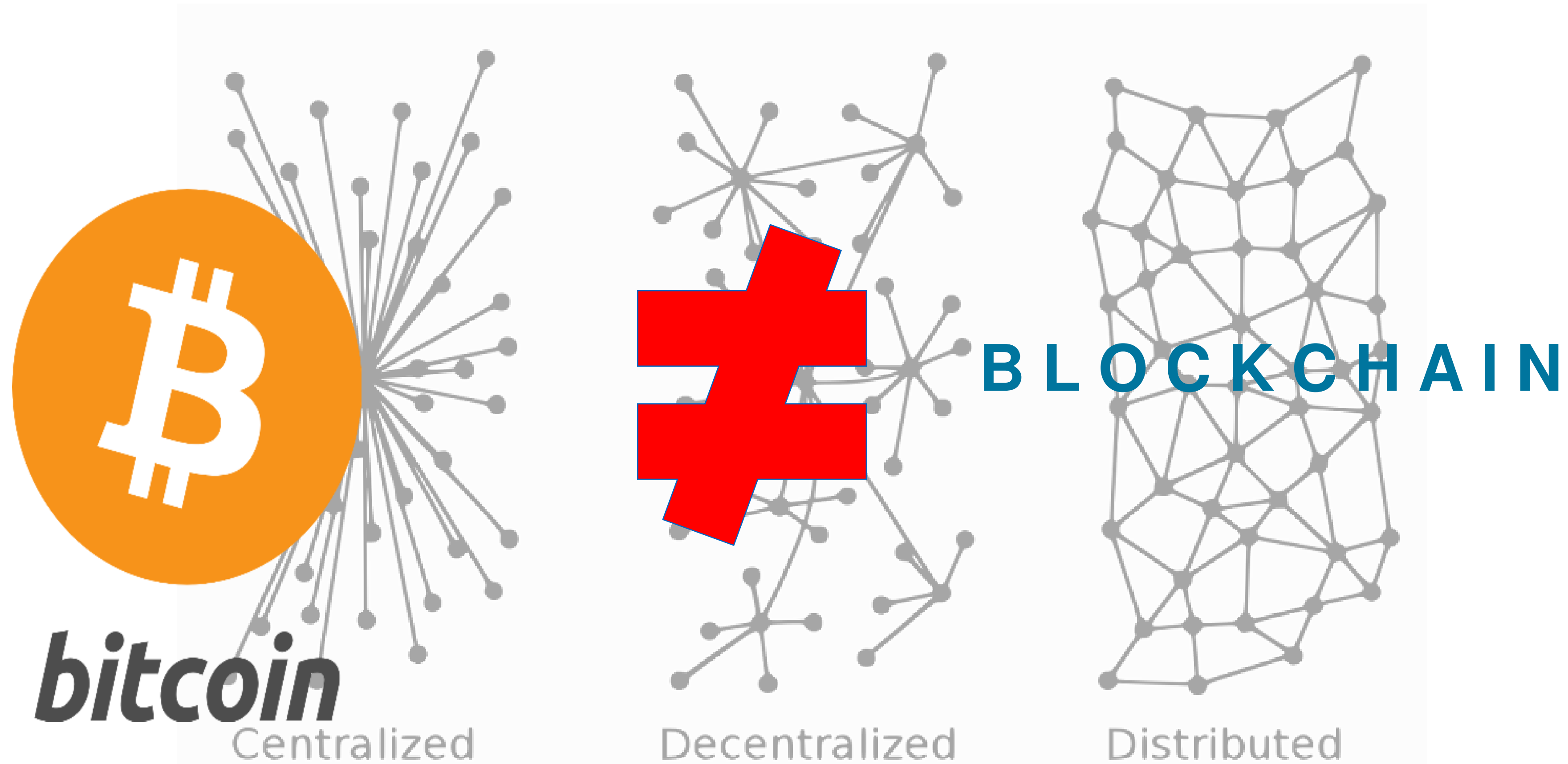
Co-Founder, CEO

Verifi Media



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Technology Driven Economic Development

Blockchain Basics



Enterprise Blockchain Solutions



**Food Supply
Chain
Management**

["How Walmart brought unprecedented transparency to the food supply chain with Hyperledger Fabric"](#)



**Reduce Counterfeit
Products**

["Merck obtains USPTO patent for AI and blockchain technology"](#)



**Komgo: Consortium of
15 companies
increasing commodity
finance efficiency**

["Bring Global Trade Finance into the 21st Century in partnership with ConsenSys/Etherium."](#)

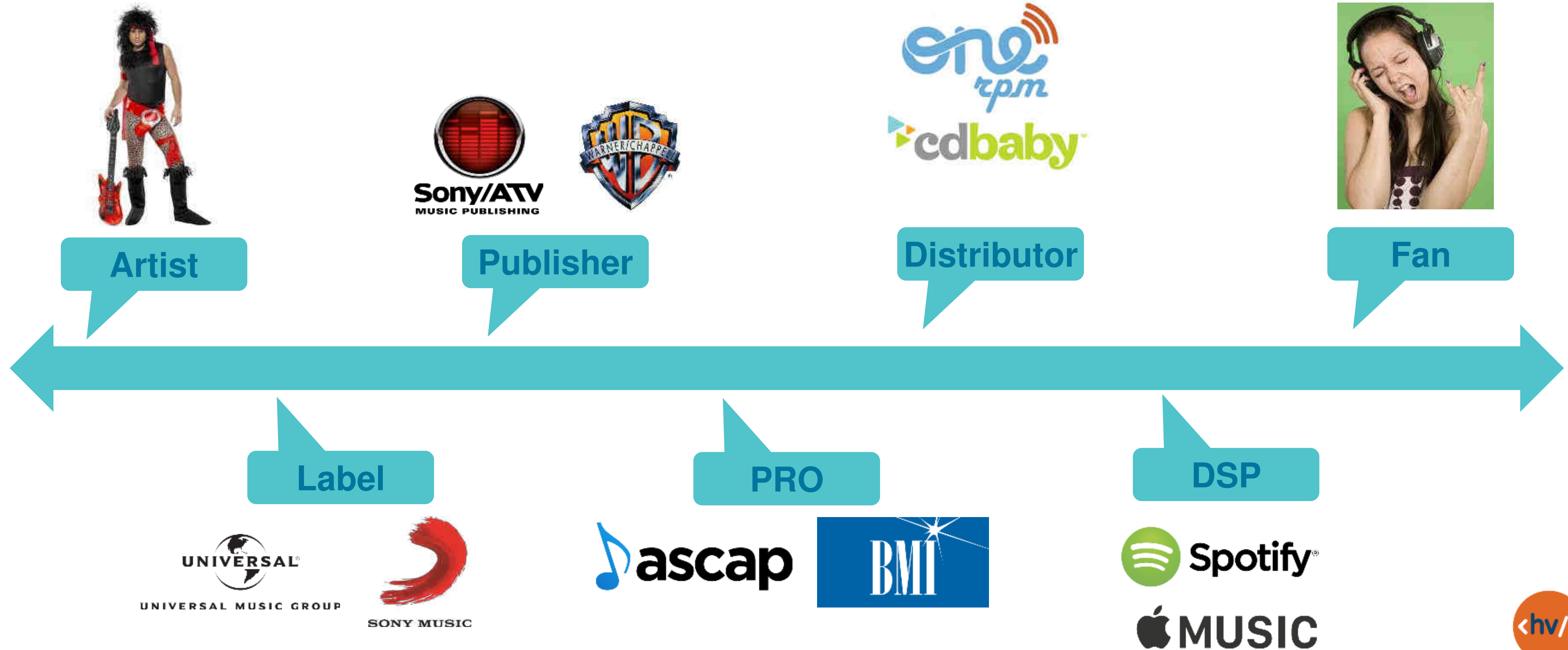
Music data is a very compelling use case for enterprise blockchain based solutions



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Recorded Music Basics



A seemingly
simple question...



Q: Who owns the rights to this song?



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Music rights and monetization



2 sides to every song...

A SONG HAS BOTH A WRITER (OR WRITERS)
AND A PERFORMER (OR PERFORMERS)

6 ...conveyed 6 legal rights...

1. REPRODUCTION
2. DISTRIBUTION
3. DERIVATIVE WORKS
4. DIGITAL TRANSMISSION
5. PUBLIC PERFORMANCE
6. PUBLIC DISPLAY



...monetized by the music industry

AND INDEPENDENT ARTISTS



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A seemingly simple question...



Who owns the rights to this...

- SONG (COMPOSITION)?
- RECORDING?
- ALBUM?
- MASHUP?
- REMIX?
- DEMO?
- MUSIC VIDEO?
- ...

...Right Now?
...Next Year?
...In Brazil?
(...Says who?)



A seemingly
simple question...



Q: Who owns the rights to this song?

A: It's complicated.

Even more complicated in the digital world...



Creators: the era of collaboration



LEMONADE:
70+ SONGWRITERS AND
100+ COLLABORATORS

AVG
SONGWRITERS / PUBLISHERS:

60'S: 1.87/1.68

70'S: 1.95/2.04

80'S: 1.95/2.06

90'S: 3.13/3.49

00'S: 3.50/4.96

10'S: 4.07/6.00

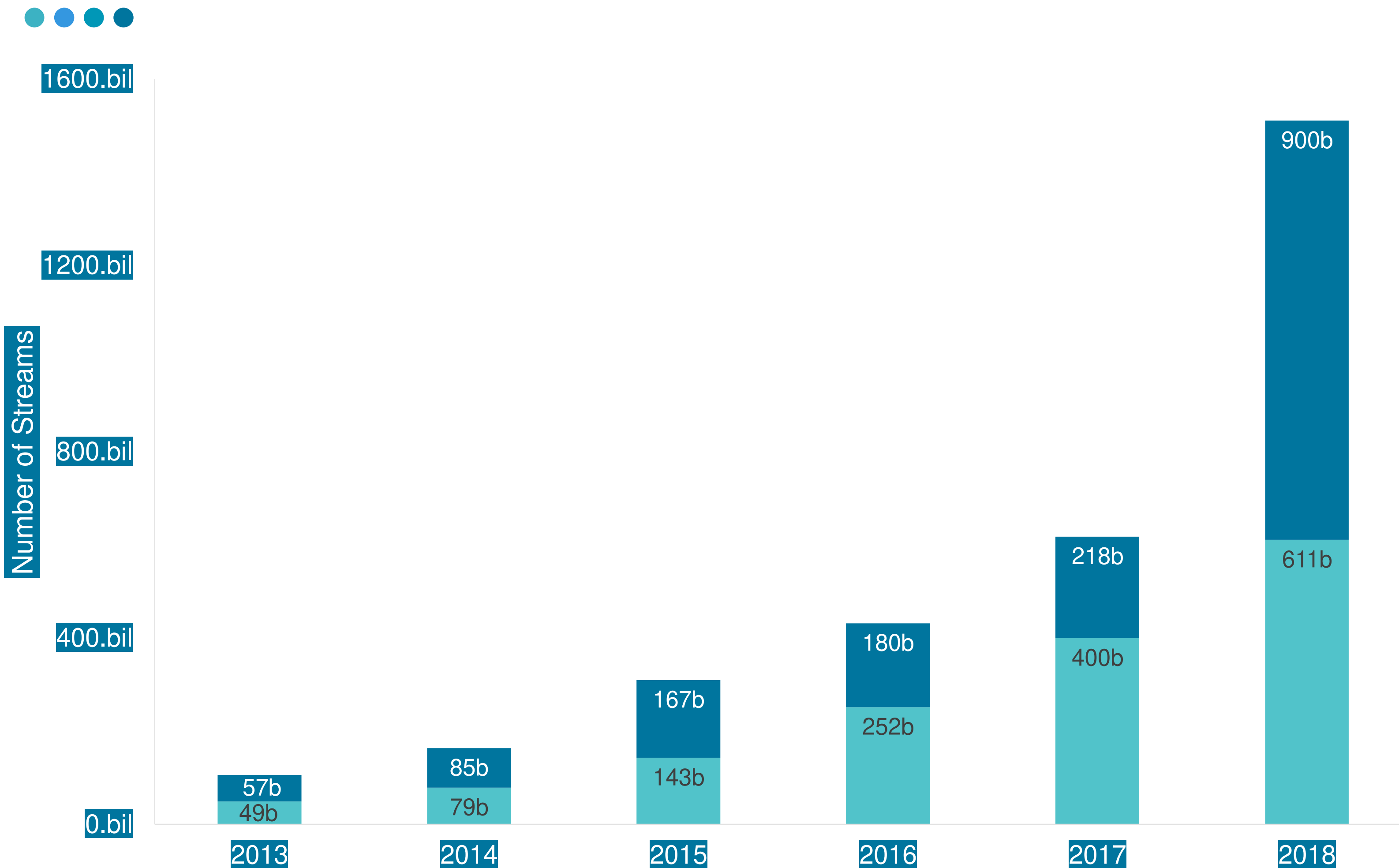
Source: MRI



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Consumption: the streaming era



**70% growth
per year
in last 5 years**

■ Video ■ Audio

\$ / Stream

\$0.00069 YouTube
 \$0.00437 Spotify
 \$0.00735 Apple Music

source: [DMN 12/25/18](#)

source: [Nielsen](#)



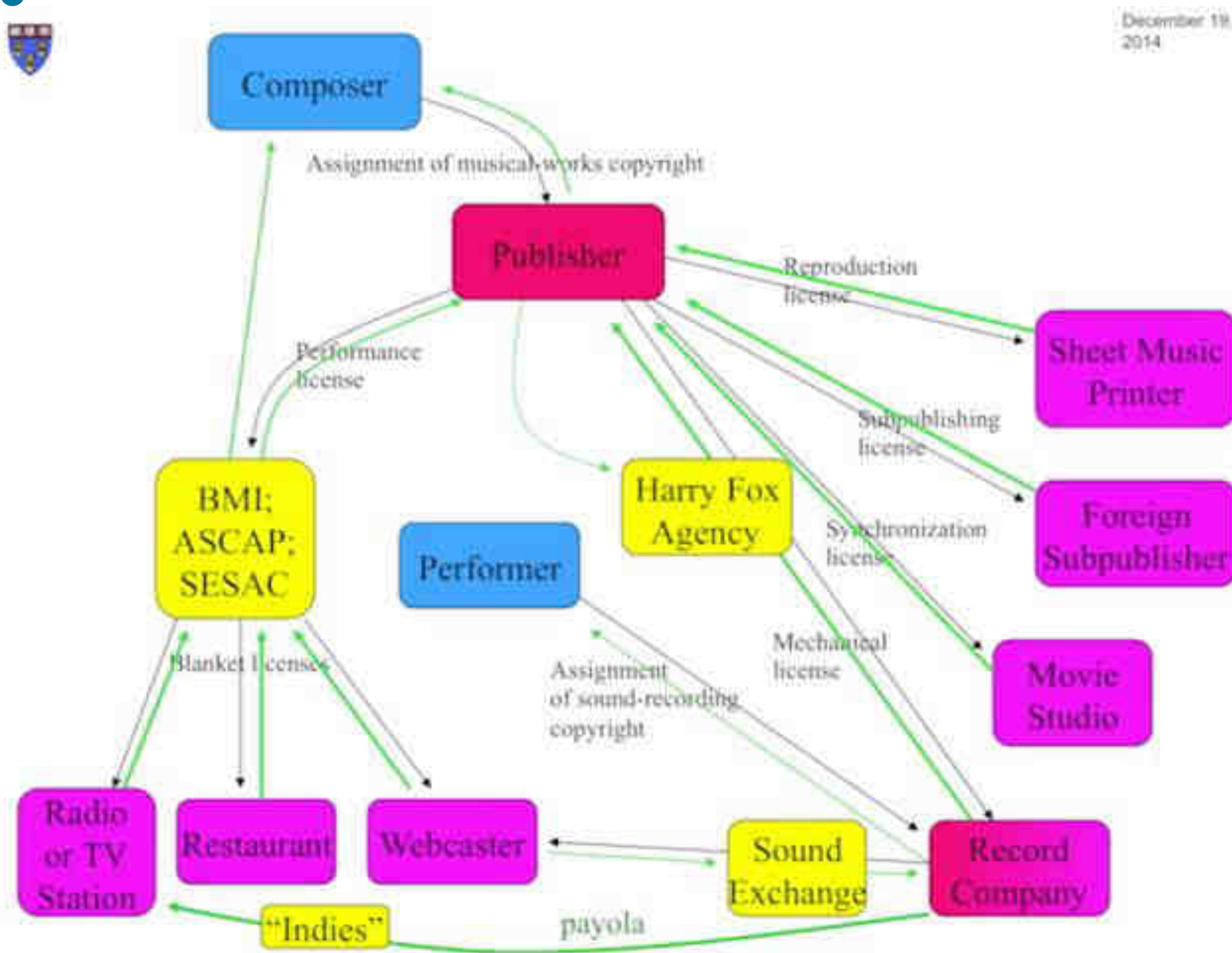
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Monetization: Is still "analog"



December 19,
2014



- ## B2B business practices are:
- Bilateral or Private
 - Based on Incomplete Data
 - Slow
 - Disassociated from Creators



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The consequences are significant



**~100mm Tracks
un-monetizable**

due to lack of
ownership data



\$1.6 bn

Spotify Lawsuit

Yet again, over lack of
composition data



1mm+

takedowns

per month
due to inaccurate
ownership information



Enormous opportunity to modernize rights management to improve monetization



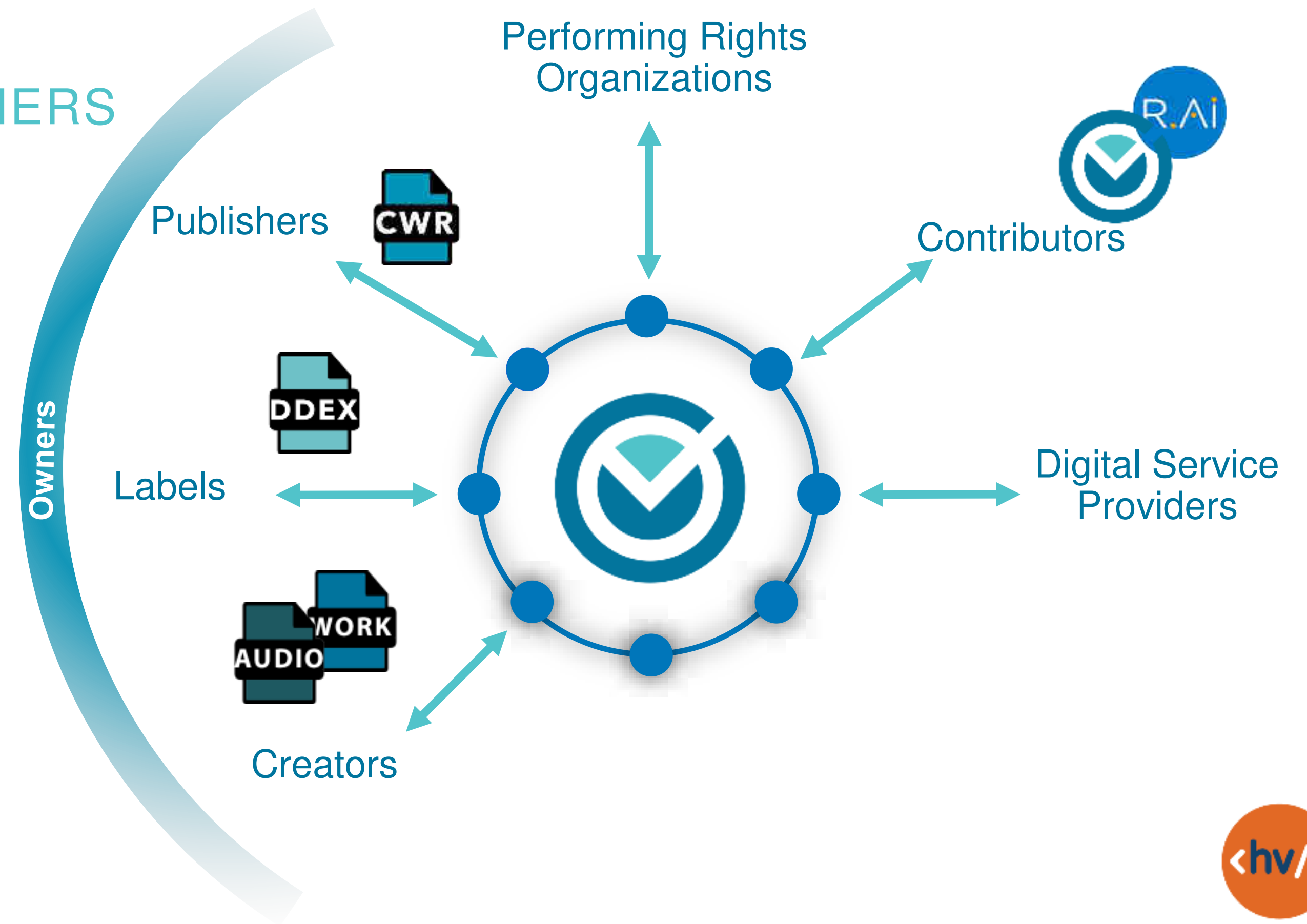
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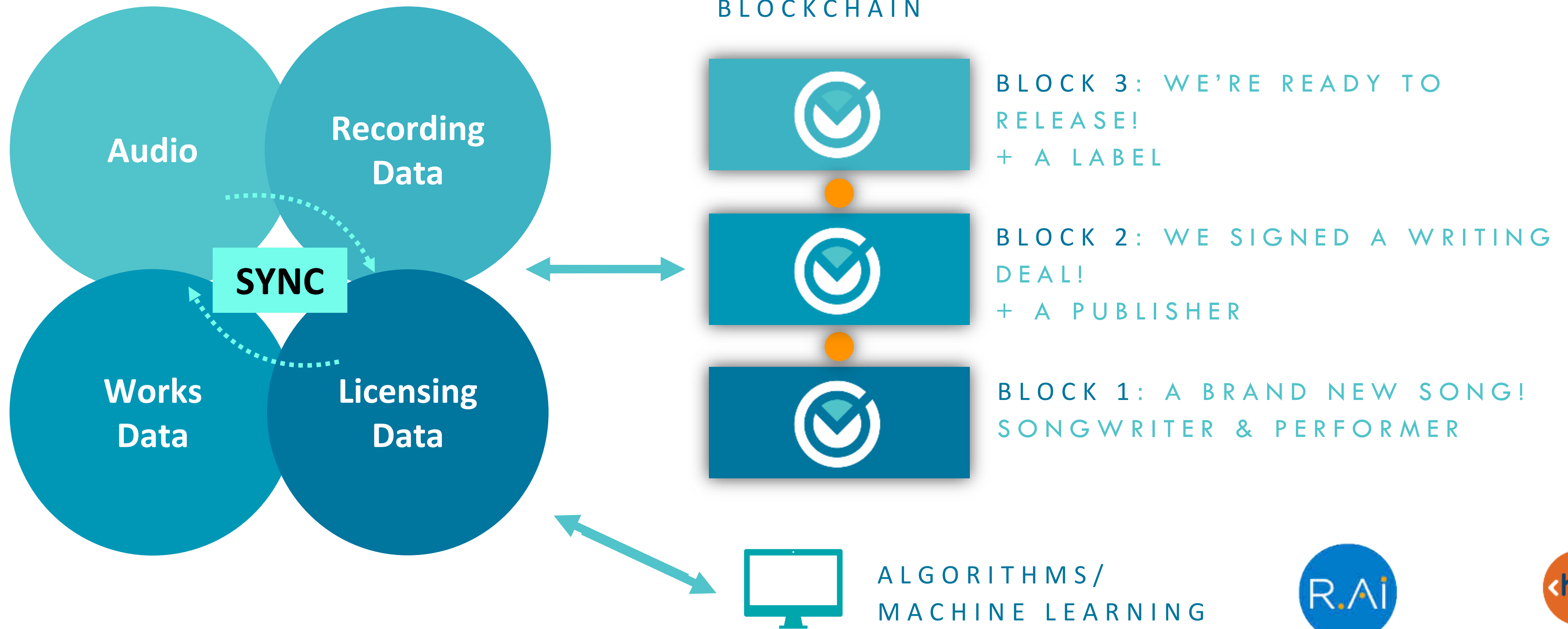
Modernized rights data management goals



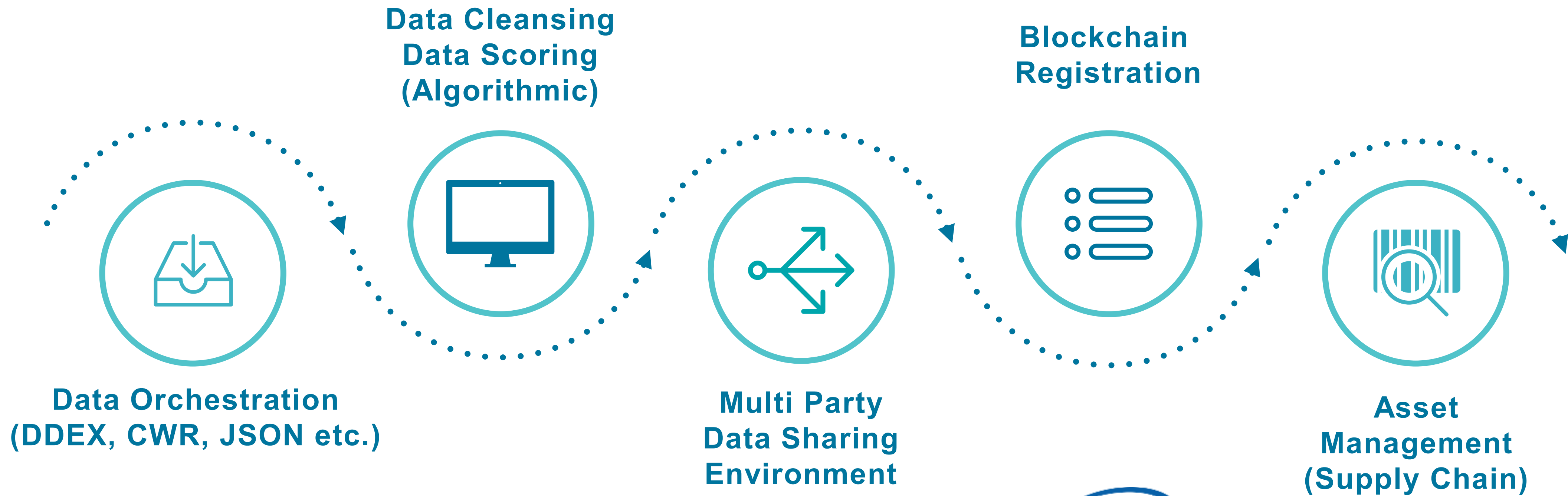
- ☆ **SHARE DATA** ACROSS PARTIES
- ☆ **CONNECT DATASETS** ACROSS RIGHTS/OWNERS
- ☆ **TRACK CHANGES** OVER TIME
- ☆ **BROADCAST DATA** SYSTEMATICALLY
- ☆ **TREAT FAIRLY** ALL CREATORS/OWNERS
- ☆ **ASSESS DATA QUALITY**
- ☆ **LEVERAGE ALGORITHMS**
- ☆ **LINK AUDIO** TO DATASETS
- ☆ **EMPHASIZE STANDARDS/IDENTIFIERS**
- ☆ **INTEROPERABLE** WITH INTERNAL SYSTEMS
- ☆ **WORKS GLOBALLY**



Verifi Media: a dynamic “bundle” for media data



Modernized services suite to manage rights data



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Some of our current initiatives



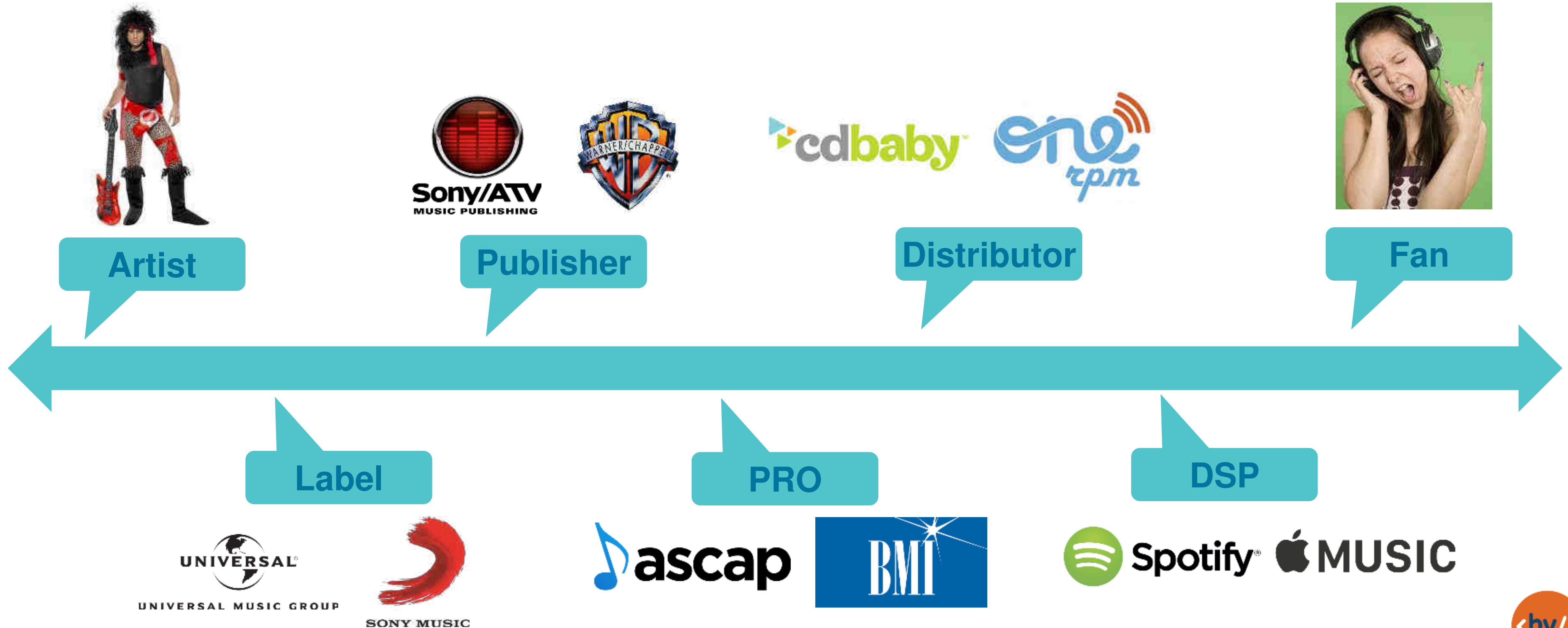
- ★ Blockchain Registered Distribution of Recordings (FUGA)
- ★ Major Label & Major Publisher Client Prototype (completed)
- ★ Label/Publisher/PRO/DSP Data Sharing Environment
- ★ Verifi Bundle+Audio Watermark Service (For Indie Artists)
- ★ Blockchain Based Specific Use Licensing Prototype



A Perfect Marriage?

the “chain” anchors rights data across the value chain

....



Why?



Verifi Media:
**Modernizes how media data is
managed by all parties in the
creative economy**

**“Empower media creators by harmonizing
media and rights ownership”**



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Questions?

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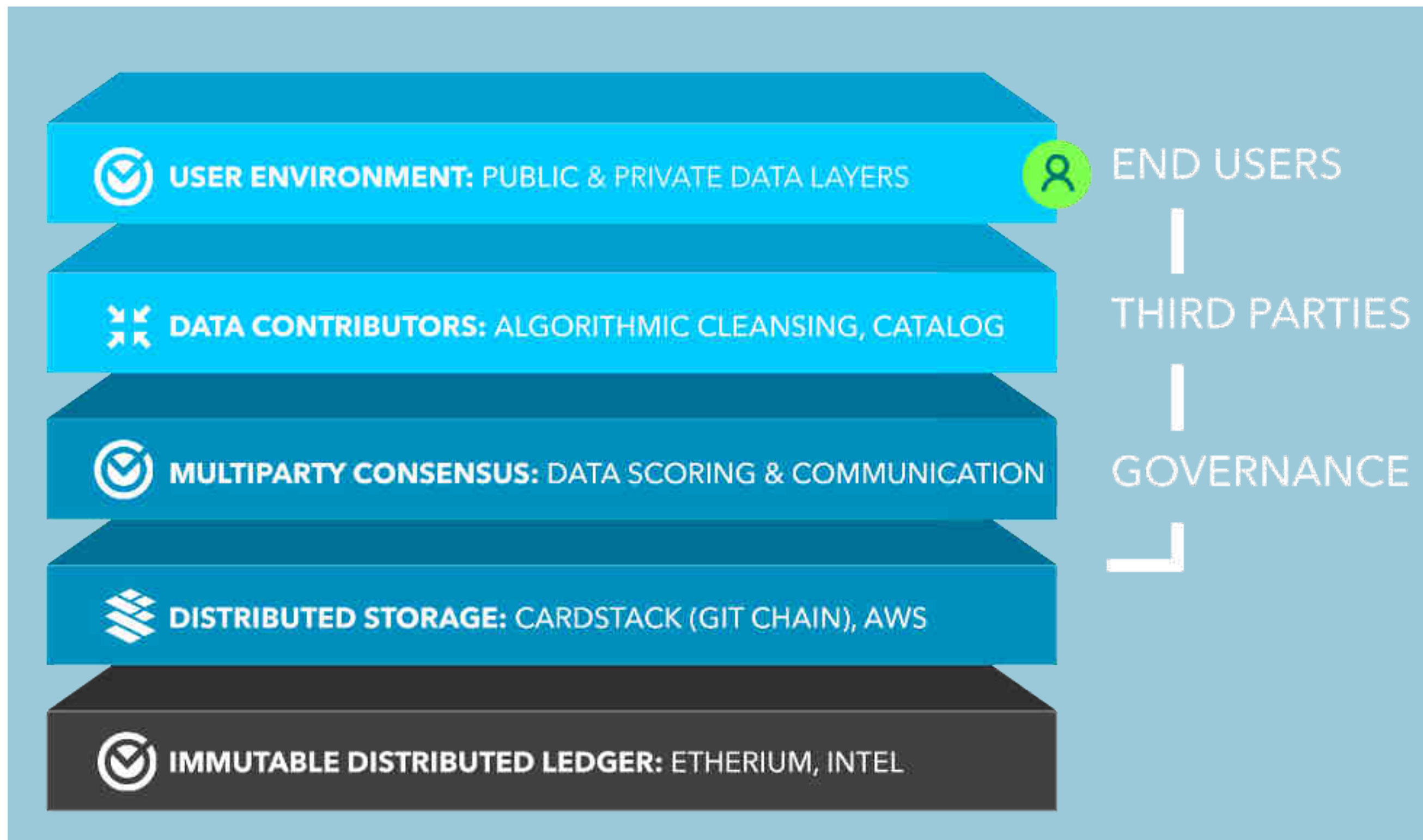
Technology Driven Economic Development



Our Technology and Data Architecture



Enterprise Tech “Stack”



Distributed Data Schema

