

- Photos
- Lists
- Reviews
- Artists
- Podcasts
- Pop-Shop
- The Juice
- Chart Beat
- Business
- Firefly 2015!

Majors Have No Plans to Bury SoundCloud Under Mountain of Litigation, Say Sources

By Andrew Flanagan | June 24, 2015 3:23 PM EDT



Over a month since Sony Music pulled its artists from the service after unsuccessful licensing negotiations and seven months after the audio platform signed a deal with Warner Music Group, rumors this week surfaced that the majors as well as the RIAA are planning severe legal actions against the Berlin-based company.

However, sources with knowledge of the situation at Sony Music and Universal Music Group say they have no knowledge of any imminent litigation against SoundCloud. While WMG did not respond to a request for comment, it's unlikely the label would sue a company it has fully licensed.

As well, the RIAA does not undertake legal action without unanimity among its members, which WMG's agreement with SoundCloud would preclude.

While the company lacks deals with two out of three of the majors, it recently reached an agreement with independent label body

Merlin, which represents around 20,000 labels. The deal allows those labels to take part in its On SoundCloud program, which gives recourse for monetization as well as increased data and copyright monitoring access.

It also recently introduced a cap on plays embedded in other websites, interpreted as a signal from the company to the majors of its willingness to pivot its strategy.

CEO Alexander Ljung told Billboard recently that the launch of a paid tier is still expected sometime this year.

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