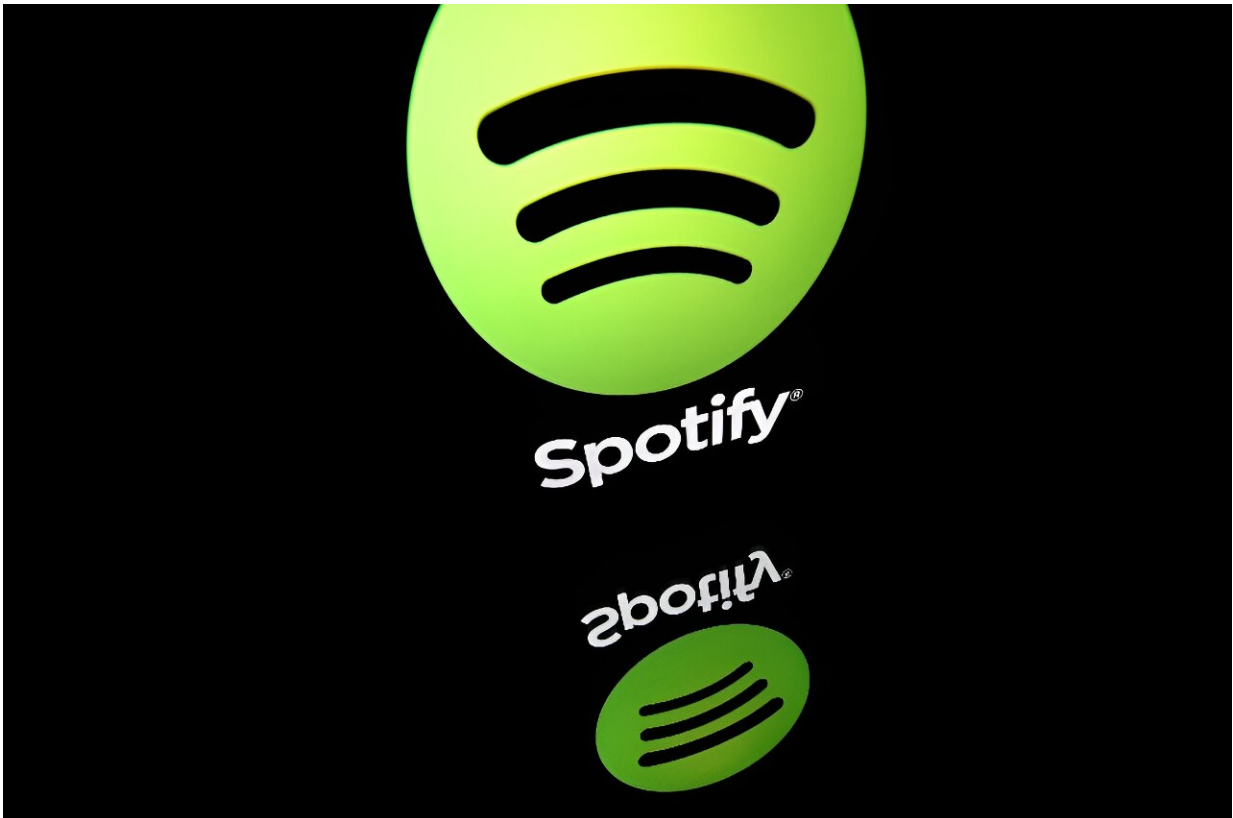


Spotify sued over alleged unpaid royalties

May 18 2024



Spotify has been sued in New York for allegedly underpaying royalties.

Music streaming giant Spotify has been sued in a US federal court for allegedly underpaying songwriters, composers and publishers by tens of millions of dollars.

The lawsuit against Spotify U.S. was filed in New York on Thursday by

the Mechanical Licensing Collective (MLC), a non-profit that collects and distributes royalties owed from music streaming services.

The suit alleges that Spotify on March 1, without advance notice, reclassified its paid subscription services, resulting in a nearly 50 percent reduction in [royalty payments](#) to MLC.

"The financial consequences of Spotify's failure to meet its statutory obligations are enormous for Songwriters and Music Publishers," MLC said.

"If unchecked, the impact on Songwriters and Music Publishers of Spotify's unlawful underreporting could run into the hundreds of millions of dollars."

According to MLC, Spotify reclassified its Premium Individual, Duo and Family subscription streaming plans as Bundled Subscription Offerings because they now include audiobooks.

Royalties paid on bundled services are significantly less.

MLC said Premium subscribers already had access to audiobooks and "nothing has been bundled with it."

"Premium is exactly the same service that Spotify offered to its subscribers before the launch of Audiobooks Access," it said.

In a statement, Spotify said the lawsuit "concerns terms that publishers and streaming services agreed to and celebrated years ago."

Spotify said it paid a "record amount" in royalties last year and "is on track to pay out an even larger amount in 2024."

"We look forward to a swift resolution of this matter," the Swedish company said.

In February, Spotify said it paid \$9 billion to musicians and publishers last year, about half of which went to independent artists.

© 2024 AFP

Citation: Spotify sued over alleged unpaid royalties (2024, May 18) retrieved 16 August 2024 from <https://techxplore.com/news/2024-05-spotify-sued-alleged-unpaid-royalties.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.