



Peer-to-peer nearly destroyed the music industry, but might now save it

So have stated several experts at [BIME](#), though no one more clearly than [Benji Rogers](#), for whom "*the future of music is in blockchain*".

Blockchain

Is the technology ensuring the integrity of the [bitcoin](#) virtual currency and in which banks and financial services see the future of [fintech](#). A system recording ownership (of bitcoins) not in a centralized ledger, but in as many ledgers as users connect to it; ledgers that are coordinated in a peer-to-peer network and which may only be modified through a secure validation process. A system (as explained in [this video](#)) in which, as each user keeps information on the accounts of all of them, there is no single point that, as an "Achilles heel", could be especially susceptible to incidents of technical (fire in server farm) or security nature (hacking).

Dot Blockchain Music

[Is the project](#) through which Mr. Rogers intends to change the way recorded music is exploited; by replacing the formats currently used for digital distribution (.mpeg, .wav) by a new one (.bc) which will not only contain the sound recording itself, but also a link to a blockchain with information on that recording. In fact, the format will not allow transmission of recordings unless they are associated with at least certain data (composer, interpreter) called "Minimum Viable Information". This uses the decentralized blockchain model for recording ownership not of bitcoins, but of rights into phonographic masters.

Reducing the transaction costs of managing rights

Because nowadays, dealing with music compositions or masters, whether as publisher, record company, collective management entity or, even, as user, requires verifying who owns the corresponding rights. And pursuing their infringement requires reconstructing evidence for chains of title that may span for decades and involve many contracts (right assignments) and corporate operations (merger of a rightholder or even auction of rights in bankruptcy proceedings). Quite the nuisance, especially when trying to prevent infringements of minor relevance.

Blockchain will allow creating a rightholder registry which will not be legally presumed to be valid as public records are (the case, for instance, of the Spanish Copyright Office); nor will it need it: its own technical strength will stand as guarantee enough from an evidentiary standpoint. Licensing and defending will turn easier.

Moreover, Blockchain could be used to grant automated licenses through [Smart contracts](#), furthering the process of disintermediation of the music industry. Or management entities could use it to collect and distribute remuneration rights, as that in [Article 110bis.2 Spanish Copyright Act](#), to traditionally non-affiliated holders (studio musicians). There are many applications for this blockchain system in the music industry.

And the challenges that blockchain must overcome to achieve this

Are complex but not insurmountable. It will be necessary to educate privacy authorities (European ones, in particular) on how the international disclosure of data the system involves (at disseminating, with the music, the names of rightholders) is sanctioned by a legitimate interest and a legal obligation (composers' and artists' moral right of paternity).

Blockchain music will also have to adapt to permitting authors exercise its right to anonymity (by enabling anonymous records) and to regulation of online contracts.

But none of these is an unbridgeable challenge. And the future *blockchain* offers is indeed promising.