



Rights & Royalty Terms

A Glossary

Since rights, royalties and contracts are legal issues, it's important to understand the terminology that explains and governs your options. As with most contractual matters, ignorance is no defense, so here's an annotated list of important terms you need to know.

Agent. (See Representative).

Amateur Rights. (See also Professional Rights). "Amateur" refers to a theater company whose participants (particularly actors) work without salary. Rights refers to permission from the playwright (via the representative or publisher) to produce the play. Unlike professional royalties, which demand a percentage of the gross, amateur royalties are finalized up front. In some cases a flat royalty is charged (for example, \$100 for the first performance, \$75 for each successive performance). In many cases, however, the fee is based on theater seating capacity, average ticket price, and the number of performances.

Application. You cannot produce a copyrighted work legally until you receive written permission from the author's representative. An application for rights typically includes: name and address of the producing organization; phone and fax numbers; name of show; dates of desired performance(s); number of performances; name of theater/auditorium; seating capacity of theater/auditorium; and ticket prices. The processing time for an application can vary from two days to two weeks or more. If the title is available for the dates indicated on the application, fees are quoted and a license is generated.

Contract. To secure the rights to perform a work, you must sign a binding legal document in which your company agrees to all stipulations therein. When you sign the contract and it is approved, you will be granted a license to perform the play. Read the contract carefully before signing, since it sets forth the number of performances, the performance venue, cost of tickets, and production dates that you provided the playwright's representative. When you are granted a performance license, by law the show you license must be performed "as is." Otherwise, any changes violate the authors' rights under federal copyright law. If you offer more than the contracted number of performances, or charge more than the contract says, or if your theater holds more people than you stated in your application, you are liable to legal action.

Copyright. Playwrights protect their ownership of their work by copyrighting it. This allows them or their representatives to decide who may perform the show, where it may be performed, how it may be performed, and how much will be charged for licensing the work. Copyright also allows the author to demand that you present the play as written, with no changes, unless granted by the playwright or representative. Without prior permission your actions will subject you to legal action for breaching the terms of your license. If you feel you must experiment with reconceiving a show, there are many already in the public domain that are no longer protected by copyright.

Fees. A royalty fee is charged per performance, with the amount depending on whether the producing company is professional or amateur. (See Amateur Rights, Professional Rights.) Some representatives charge a straight fee, with no distinction as to the number of seats or performances. Others charge one fee for the first performance and a lesser amount for each successive performance. Still others charge a fee based on the number of seats in the house, ticket price, number of performance, and company status (professional or amateur). There are three basic fees in licensing a musical: A royalty fee (per performance); a rental fee; and a refundable security deposit.

Future release. A property that is not yet available for license; in fact, it may not even been assigned to an author's representative.

General Release. Rights for this work are granted to anyone who applies-- amateur, stock, professional, tour. AKA "unrestricted."

License. On behalf of the author(s) the representative grants a license to produce the show and collects a fee, or "royalty," for this license. Built into each performance license is specific language which governs how the copyrighted work must be presented. The license is not valid until the representative has double-checked availability, sent you a confirmation of the terms, and your check has cleared.

Manuscript. Some scripts are available as photocopies of typewritten or computer printed pages. Normally this indicates an older or seldom-performed title.

Pre-release. A work that has been awarded to a specific publishing house and is in the typesetting, proof, or printing process, but is not yet listed for licensing.

Professional Release. A play licensed only to professional companies. (See Professional Rights.)

Professional Rights. A professional company is one that pays a salary to actors, directors, designers and other staff, whether or not the company is profit or not-for-profit. Rights for professional companies are normally based on a percentage of the gross, with an up-front payment against profits. The payment--based on seating capacity and ticket prices--is credited

toward the total royalty due at the end of the run, typically based on 8-10% of the gross box office receipts, to be calculated and reported weekly.

Public Domain. A work which never was, or no longer is, under protection of copyright. Examples include Shakespeare, Gilbert and Sullivan, and Oscar Wilde. Public domain works may be performed without payment of royalties to the author or the author's representative(s). Most works produced before 1920 are no longer in copyright; however, authors or translators may have made changes to the script and the newer version may well be under copyright protection.

Publisher. In many cases the publisher is also the representative through which one seeks a license. However, not all publishers are representatives (and not all representative are publishers). For example, Samuel French, Dramatists Play Service, I.E. Clark, and Music Theater International publish scripts and offer licenses. Book publishers such as Heinemann and Smith & Krause publish plays, but do not license productions. However, their books do include licensing information. The AACT website has a Play Sources page that lists virtually all publishers and representatives.

Rental. Scripts normally are purchased. However, in the case of musicals, vocal music, piano accompaniment, piano conductor score, and individual orchestra parts are rented. (In some cases, scripts also are rented.) The standard rental time is two months prior to your initial performance. Additional fees apply for each additional rental week.

Representative. The individual or company representing the interests of the playwright, who licenses his or her work for production. The representative's responsibilities include enforcing copyright law (prohibiting changes to the show, monitoring unlicensed productions), and securing an appropriate royalty for the author.

Restricted. Performance rights to a play may not be available if a play is running on or off-Broadway, or is on national tour. Or a professional theater in your area may have secured rights to produce the play, barring all other local productions until its run has closed. The availability of a play can change from day to day, which is why restrictions don't appear in most play catalogs. Restrictions exist because professional producers and touring groups pay much higher royalties than non-professionals, thus guaranteeing them exclusivity and a certain amount of freedom from competition. As a rule, all productions in New York and Los Angeles must be cleared, so allow for extra time if your theater is located in these areas. Other major cities like Chicago, Seattle or San Francisco may require additional clearance as well.

Rights. The author, via the representative or publisher, confers on a theater company the right to produce a staged production as set forth in the contract signed by the producing company.

Royalty Fee. Royalties are the authors' way of being paid for the use of their show (their "intellectual property"). The authors of a musical may include the book writer (who writes the dialogue), the composer (who writes the music), and the lyricist (who writes the words to the

music). Their right to be paid for use of their work is guaranteed by U.S. copyright law. A royalty fee is due whenever a play is presented in front of an audience--whether an admission is charged or not. This includes classroom presentations, benefits, or private shows. The fact that a performance is a free or a benefit is taken into account when fees are quoted.

Royalty House. An informal term describing publisher-representatives such as Samuel French, Dramatists Play Service, I.E. Clark, Pioneer, Encore, Music Theater International, and Tams-Witmark. These companies sell or rent scripts and scores and also license plays for production. Publishers and representatives are listed on the AACT Play Sources page.

Security Deposit. Charged for rental materials to ensure their safe return. The fee is refunded upon return of the rental materials, minus any shipping/handling charges, outstanding balances, damage or loss of material. Rented materials must be returned free of pencil marks (always use pencil to mark rental materials; pen won't erase and you may lose your deposit).

Slightly Restricted. Applications for a work are being accepted on a case-by-case basis because of current or future major city tours. See "Restricted."

Stock Rights. "Stock" is an old term for a professional resident company of actors presenting a series of plays for limited runs. See Professional Rights.