

Assetization of music: from Bowie Bonds to fractionalized copyright

In mid-2024, Sony Music Entertainment (SME) acquired Queen's entire song and recordings catalog for a substantial sum exceeding \$1.27 billion. While it's reported that the transaction excluded "recorded music rights in North America," which "remain owned by Disney," it still stands as the largest music catalog deal in history (Music Business News, 2024). SME's involvement in this significant acquisition is unsurprising, given its position as a dominant force in the music publishing sector. As the world's largest music publisher, controlling approximately 25% of the global market share (Music and Copyright, 2024), SME has been a major player for decades.

Shortly before this high-profile deal, Swedish entertainment company Pophouse acquired KISS's song catalog, name, image, and likeness rights, and a portion of the master recordings and publishing rights for \$300 million (Another Block, 2024). While Pophouse (which is not a record label) had been acquiring music catalogs for several years, this deal marked a significant milestone in its trajectory. Notably, Pophouse intends to use these assets to develop digital avatars of the band members, enabling them to continue performing indefinitely. Considering advancements in AI and virtual reality, such deals signify more than just the sale of song rights. They point to a future where digital immortality and innovative forms of entertainment are becoming increasingly feasible.

The two transactions described illustrate the project's central theme: an in-depth analysis of assetization of music. This process involves transforming elements like copyrights, data, and reputation into ownable, tradable assets. The project will examine various manifestations of music assetization, ranging from the 1990s Bowie Bonds, backed by David Bowie's music royalties, to the trading of music catalogs by non-music industry financial companies, and the rise of online platforms enabling small-scale investments in music royalties. For each manifestation, the analysis will explore the construction of the financial instrument, the justifications provided by its creators, and its implications for artists, industry power dynamics, and our understanding of popular culture.

The project will culminate in a book exploring the evolution of music assetization and how our perception of music investment has changed over time.