Clear Channel Limits Live CDs

Company to block bands from selling instant albums

In the past few years, fans leaving some concerts have discovered a souvenir far better than a T-shirt: a live recording of the show they just attended. Bands including the Allman Brothers, moe. and Billy Idol have sold instant concert discs, and the Pixies and the Doors plan to launch similar programs this summer. The recording-and-burning company DiscLive estimated on April 12th that it would gross $500,000 selling live discs this spring alone.

But in a move expected to severely limit the industry, Clear Channel Entertainment has bought the patent from the technology's inventors and now claims to own the exclusive right to sell concert CDs after shows. The company, which is the biggest concert promoter in the world, says the patent covers its 130 venues along with every other venue in the country.

"We want to be artist-friendly," says Steve Simon, a Clear Channel executive vice president and the director of Instant Live. "But it is a business, and it's not going to be 'we have the patent, now everybody can use it for free.'"

Artists net about ten dollars for every twenty- to twenty-five-dollar concert CD that's sold, no matter which company they use. But with Clear Channel pushing to eliminate competition, many fear there will be less money and fewer opportunities to sell live discs. "It's one more step toward massive control and consolidation of Clear Channel's corporate agenda," says String Cheese Incident manager Mike Luba, who feuded with Clear Channel last year after promoters blocked the band from using CD-burning equipment.

The Pixies, who are booking a fall reunion tour with several probable Clear Channel venues, say Clear Channel has already told them DiscLive can't burn and sell CDs on-site. "Presuming Clear Channel's service and product are of equal quality, it may be best to feed the dragon rather than draw swords," says Pixies manager Ken Goes. "Still, I'm not fond of doing business with my arm twisted behind my back."

Clear Channel doesn't plan to stop Phish, Pearl Jam, the Who or other bands that make live recordings available days after the show. It has also granted one-dollar licenses to a few up-and-coming bands to record and sell instant CDs of their own shows. But Clear Channel executives maintain that they have the right to stop anyone who tries to infringe on the patent. Many say this strategy prevents inventors from jumping into a marketplace and creating further innovation. "We'd like to see this industry opened up to everybody," says Erik Stubblebine, founder and vice president of Hyburn, a Phoenix company that has sold instant CDs for dozens of concerts in the past three years. "They're trying to squeeze us."

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(Posted May 24, 2004)