

Apple nears music deal with labels

May 21 2011, By RYAN NAKASHIMA , AP Business Writer



Apple Inc. is close to securing deals with all four major recording companies on a music service that will allow users to stream songs stored on remote computer servers, presumably to an array of portable Apple-made devices, a person familiar with the matter said Friday.

Such a service would give users a wide array of music on-the-go, without having to worry about limited storage space and the need to physically connect different devices to transfer songs.

[Universal Music Group](#), a division of Vivendi SA, is about to sign a deal that will give Apple the right to stream songs to its customers, although how exactly the service will function is unclear, the person said.

The [cloud music](#) service is likely to be unveiled at Apple's annual developers' conference in San Francisco, which gets under way on June 6. Agreements with the units of the recording companies that collect songwriting royalties have not yet been completed but are expected to be finalized soon, the person said.

The person was not authorized to speak publicly on the deals and spoke on condition of anonymity.

Universal would be the largest and last recording company to sign a cloud music deal with Apple after the maker of iPads and iPhones cut deals with [Sony Corp.](#)'s music arm, EMI Group Ltd. and [Warner Music Group](#) Corp, the person said.

An Apple spokeswoman declined to comment.

Bloomberg News earlier reported that Apple had reached agreements with Sony, EMI and Warner and that Universal was close to a deal.

Over the last two months, Amazon.com Inc. and [Google](#) Inc. have both unveiled cloud music plans but neither had secured deals with the recording companies. The services appeared to have limited functionality and amounted to allowing people to access material they had uploaded themselves.

Apple's deals with music companies will allow for downloading, mobile use and streaming - and will enable it to offer a more complete service, the person said. However, it is also unclear how much Apple will charge for such capabilities, and whether people would pay per song or by subscribing to a regular plan.

Amazon offers free storage for up to 5 gigabytes of cloud storage but charges, starting at \$20 per year, for 20 gigabytes and more. Google's

service works by invitation only and is free to use during the current test phase.

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