

Apple has deals with record labels for cloud music service

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Apple Inc. sewed up contracts with the four major record labels by Thursday for a cloud music service, with agreements from music publishers to follow Friday, according to sources familiar with the negotiations.

The service, dubbed iCloud, initially will be offered for a free period to people who buy music from Apple's iTunes digital download store, allowing users to upload their music to Apple's computers, where they can then be played from a Web browser or Internet-connected Apple device.

The company plans to eventually charge a subscription fee, about \$25 a year, for the service. Apple would also sell advertising around its iCloud service.

The agreements, finalized this week, call for Apple to share 70 percent of the revenue from iCloud's [music service](#) with record labels, as well as 12 percent with music publishers holding the songwriting rights. Apple is expected to keep the remaining 18 percent, said people knowledgeable with the terms.

Music companies that have signed on to iCloud include [Warner Music Group](#), [EMI Group](#), [Universal Music Group](#) and [Sony Music Entertainment](#). Representatives from the four companies could not be immediately reached for comment.

Although the service is initially focused on allowing consumers to store their music on Apple's servers, the Cupertino, Calif., technology company ultimately envisions expanding the service to movies, TV shows and other digital content sold through iTunes, said a person knowledgeable of the company's plans.

Apple, whose iTunes music store is the dominant purveyor of music downloads with 75 percent to 85 percent of the market, has been carefully monitoring moves by rival Amazon.com as well as newcomers to the digital music space, including Google and, in Europe, Spotify.

Amazon pounced first in March when it launched a music "locker" service, dubbed Amazon Cloud Player, that lets users upload their music to Amazon's computers and listen to their songs from any browser. Google followed suit in May with its Music Beta service.

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