

Pandora loses to BMI in court hearing, vows to appeal

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Pandora Media Inc. lost a court hearing Thursday in a dispute with music publishing rights group BMI over royalty rates, but the Internet streaming leader said it will appeal.

Pandora said it's confident it can win later since the appeals court—the 2nd U.S. Circuit Court of Appeals in New York—last week ruled in its favor in a case against the other major publishing group known as ASCAP.

Thursday's ruling would force Pandora to pay 2.5 percent of its revenue to songwriters and music publishers, up from 1.75 percent. Last week's appeals court ruling allowed Pandora's 1.85 percent rate to ASCAP to stay intact.

If the appeal fails, Pandora says its costs could rise by 0.8 percent of revenue, which would have amounted to about \$1.7 million last quarter.

BMI called the ruling a victory for the more than 650,000 songwriters, composers and publishers it represents.

"This is an important step forward in valuing music in the digital age," BMI said in a statement.

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