Using AI for Contracts: Opportunities and Pitfalls for Artists

By Ben Marshall, CEO of Artist Republic

1. Introduction - Why Contracts Matter More Than Ever

Every artist, whether just starting out or performing at the highest level, will sign contracts. They are the backbone of a professional music career. Contracts govern management relationships, publishing rights, recording deals, performance agreements, merchandise, touring, and collaborations. If you are an artist who wants to build a sustainable career, contracts are unavoidable.

In the past, contracts were almost always handled by lawyers. That remains the gold standard today. However, we now live in a world where Artificial Intelligence is changing the way business is done across every sector, including music. All has entered the conversation around contracts, and many artists are asking the same question: *Can Al help me manage, understand, or even draft my contracts?*

The answer is yes, but with serious caveats. AI has the potential to save time and money, and it can be a powerful assistant in empowering artists. But it is not a replacement for legal expertise. Used wrongly, AI could expose you to risks that could derail your career. Used wisely, it can be an extremely useful tool.

2. What AI Can and Cannot Do in Contract Drafting

There are now many AI-powered contract tools on the market. Some are simple template generators that take your input and produce a draft agreement. Others analyse existing contracts and try to highlight important clauses or risks.

What AI does well:

- **Speed.** AI can draft a basic contract in seconds.
- **Affordability.** Many tools are free or low-cost compared to hiring a lawyer.
- **Standardisation.** AI can provide you with a structured document that covers the most common contract elements.

Where AI falls short:

- **Nuance.** Every music deal has its own context. AI cannot yet understand your personal goals or negotiate terms in your best interest.
- **Jurisdiction.** Contract law is highly jurisdiction-specific. An AI tool trained on US data may not account for UK or EU law, and vice versa.
- **Industry practice.** AI does not have lived experience of the music industry. It will not know when a royalty split is unfair, when an exclusivity clause is overreaching, or when a force majeure clause is unusual.

The reality is that AI can provide a first draft, but it is not capable of giving you a contract that you should sign without professional review.

3. AI in Reviewing and Understanding Contracts

Where AI is particularly exciting is in **reviewing and explaining contracts**. For many artists, the legal language in contracts is intimidating. It is easy to feel lost when faced with twenty pages of legal terminology.

AI tools can break down complex contracts into plain English. They can summarise clauses, highlight unusual terms, and flag potential risks. For example, an AI tool might tell you that a management contract includes an unusually long exclusivity period or that a publishing agreement does not include a reversion clause.

This empowers artists to understand the shape of a deal before sending it to a lawyer. It does not replace the lawyer, but it helps the artist feel informed and confident.

However, there are limitations. AI cannot tell you whether a clause is negotiable. It cannot assess the commercial realities of your situation. It cannot replace judgment, context, or negotiation. It can only analyse what is on the page.

4. Risks of Relying Too Heavily on AI

One of my biggest concerns as a CEO is when artists put too much trust in AI without safeguards. The risks are significant:

- **Legal enforceability.** An AI-generated contract may not be legally enforceable in your jurisdiction.
- Missing clauses. AI may overlook key clauses that are standard in music contracts, such as reversion rights, collection society obligations, or tour insurance.
- **Unfair terms.** All cannot tell you when a clause is commercially unfair, even if it is legally valid.
- **False confidence.** Perhaps the biggest danger is that AI can give artists a false sense of security. You may believe you are protected when you are not.

I have seen artists use AI contracts in good faith only to find later that they have signed away key rights, agreed to unrealistic obligations, or exposed themselves to unnecessary financial risk. In some cases, the consequences can be career-ending.

5. How to Integrate AI with Human Expertise

So, how should artists use AI? The best approach is to see AI as an **assistant**, not a replacement.

Here is the workflow I recommend:

- 1. **First Draft:** Use AI to generate a simple starting point for a contract.
- **2. Self-Education:** Use AI to explain clauses in contracts you receive so you can understand them.
- **3. Professional Review:** Always send the draft or reviewed contract to a specialist music lawyer for final approval and negotiation.

This way you save time and potentially reduce legal costs, while still ensuring you are fully protected. All takes care of the repetitive groundwork. Human expertise provides the judgment, context, and negotiation skill.

At Artist Republic, we partner with <u>Music Legal</u>, a team of specialist entertainment lawyers, to ensure our artists have access to the very best advice. AI may highlight an issue, but it takes an experienced lawyer to know what to do about it.

6. Practical Advice for Artists

So, what should you take away from this? Here are some practical points:

- Use AI for low-risk agreements. For one-off, non-exclusive, low-value arrangements (for example, a single local gig), AI templates may be sufficient.
- **Never rely on AI for major deals.** Management, publishing, recording, touring, and sync contracts should always involve a lawyer. These agreements can define your career for years to come.
- **Be proactive.** Use AI to educate yourself. Let it summarise and explain contracts so you can go into legal meetings informed and confident.
- **Budget for legal fees.** Even if AI saves you some money, always budget for professional legal support on important deals. It is a non-negotiable part of being a professional artist.
- **Stay organised.** Use AI not just to draft but to manage contracts. Track renewal dates, deadlines, and obligations. This avoids small mistakes that can have big consequences.

Closing Thoughts

AI is already changing the way we work, and contracts are no exception. For artists, AI represents both opportunity and risk. The opportunity is speed, accessibility, and education. The risk is false confidence, poor protection, and potential career damage.

At Artist Republic, my philosophy is clear: embrace the tools of the future, but never lose sight of the fundamentals. Contracts are about protecting your rights, your income, and your future. AI can help, but it is not the final word. The final word should always come from a specialist who understands both the law and the industry.

That is why we recommend using AI tools as part of the process, but always in combination with expert advice. We are proud to partner with <u>Music Legal</u> to give our artists access to the specialist entertainment law expertise they need.

Use AI to get smarter, faster, and more prepared. Use lawyers to stay safe. That balance is how artists will thrive in the years to come.