FTC Complaint: Exclusive Dealing and Unfair Method of Competition

Date	September 28, 2026
Category	Agreements between Suppliers and Customers
Theory	Exclusive dealing (Sherman Act § 1) and unfair method of competition (FTC Act § 5), both based on output restriction
Companies	Universal Music Group (Santa Monica, CA); Sony Music Entertainment (New York, NY); Warner Music Group (New York, NY)
Complainant	Alexander Labrie, individual

Summary

The three major record labels use exclusive recording contracts that let them withhold ("shelve") completed recordings indefinitely while barring the artist from releasing or re-recording that music through any other channel. Because these terms are industry-wide, they restrict output and leave affected artists with no alternative path to market.

Conduct

Each major label's standard recording agreement grants the label exclusive rights to the artist's recordings with no obligation to release them. The same agreements prohibit the artist from releasing the recordings independently, licensing them to another label, or re-recording the material for a set period.

When a label decides not to release a completed record, for any reason or none, the music is kept off the market while the artist remains bound.

Relevant market

The relevant market is the acquisition of recording rights from artists. In the United States, the three major labels distribute approximately 84% of recorded music through their own labels and owned distributors (Virgin Music Group, The Orchard, AWAL and ADA), leaving independents about 16% (Billboard, reporting MIDiA Research, Nov. 2024). Globally, the three major labels held about 66% of recorded music revenue on a distribution basis and about 53% on an ownership basis in 2023 (MIDiA Research via Hypebot).

Because most U.S. releases, including many independent ones, move through major-owned distribution, an artist under contract with one of the major labels has no practical route to market for a shelved work.

Documented instances

Twelve reported instances span all three major labels from 2003 to 2026. Each rests on the artist's public statements, court filings or press reports.

Artist	Label (parent)	Record	Period	Reported conduct	Source
Kim Petras	Republic (UMG)	*Detour*	2025–2026	Album finished for six months with no release date and collaborators unpaid; she formally asked to be dropped in January 2026 and released it independently in May 2026.	Hollywood Reporter
Halsey	Columbia (Sony)	Next album	2025	Says she is not permitted to make an album because her 2024 album fell short of the label's sales expectations.	Uproxx
Halsey	Capitol (UMG)	"So Good"	2022	Finished single and video withheld for over a month pending a viral TikTok moment; released after public backlash.	Variety
Sky Ferreira	Capitol (UMG)	*Masochism*	2015–2023	Second album reportedly blocked for years; she was dropped in late 2023 and says the label owns the recordings.	The Line of Best Fit

Artist	Label (parent)	Record	Period	Reported conduct	Source
Raye (UK)	Polydor (UMG)	Debut album	2014–2021	Under a four-album deal since 2014 but not allowed to release a full album for seven years; left in July 2021.	NME
Lil Wayne	Cash Money (UMG)	*Tha Carter V*	2014–2018	Sued, adding UMG with conspiracy allegations and seeking the right to release the album himself; settlement reportedly over $10M and required UMG to release it.	Billboard, Consequence
Tinashe	RCA (Sony)	*Joyride*	2015–2018	Announced in 2015; held for three years for unexplained business reasons.	Billboard
Kesha	Kemosabe (Sony)	Remaining contract albums	2014–2016	Court denied release from an exclusive contract, describing it as heavily negotiated and typical for the industry.	PBS NewsHour
Michelle Branch	Warner Bros. / Reprise (WMG)	*Everything Comes and Goes*, *West Coast Time*	~2008–2014	Says she delivered two albums and both were shelved until she exited her contract in 2014.	People, Hollywood Reporter
Lupe Fiasco	Atlantic (WMG)	*Lasers*	2009–2011	Label held the album without explanation and set a release date only after a fan protest.	NME
Clipse	Jive (Sony)	*Hell Hath No Fury*	2004–2006	Repeated delays; label refused to release them from the contract; they sued and settled in May 2006.	Vice

Artist	Label (parent)	Record	Period	Reported conduct	Source
Fiona Apple	Epic (Sony)	*Extraordinary Machine*	2003–2005	Completed album reportedly rejected as not commercial enough.	Slate, Slant

Uniformity across labels

The terms that enable shelving are standard rather than negotiated exceptions:

- **No duty to release.** Standard recording agreements generally do not guarantee that the label will release delivered albums; a release commitment exists only where the artist negotiates one (Rexius Records, 2026; United Musicians and Allied Workers).
- **Discretionary acceptance.** Delivery clauses commonly require recordings to be "commercially marketable" or satisfactory to the label, giving it discretion to reject a finished album (United Musicians and Allied Workers).
- **Re-record restrictions, tightened in parallel.** In 2023, music attorneys reported that Universal, Sony and Warner had all overhauled contracts for new signees, extending re-record restrictions from the historical five to seven years (or two years after the contract ends) to 10, 15 or even 30 years (Billboard, Oct. 2023).

An artist therefore faces the same restrictions whichever major label they sign with. On information and belief, these terms persist as an industry standard across all three companies.

Competitive harm

The core harm is output restriction: exclusivity with no duty to release keeps finished music off the market entirely.

- **Reduced output:** completed recordings are withheld from consumers.
- **Suppressed competition for artists' work:** a label can take a work off the market without using it.
- **Barrier to entry:** artists cannot move shelved work to independent labels or self-distribution.

Why private remedies are inadequate

Individual artists face arbitration and forum-selection clauses, high litigation costs and unequal bargaining power. In California, Labor Code § 2855(b) lets labels seek damages from recording artists for undelivered albums even after the general seven-year limit on personal-service contracts.

Legal basis

This conduct may constitute unlawful exclusive dealing and an unreasonable restraint of trade under Sherman Act § 1 (15 U.S.C. § 1), and an unfair method of competition under Section 5 of the FTC Act (15 U.S.C. § 45).

Requested action

1. Investigate these contract practices across the three major labels.
2. Consider an industry study under Section 6(b) of the FTC Act to collect standard contract terms and shelving data.
3. Consider remedies such as automatic reversion of rights to the artist when a completed recording is not released within a set period.

Complainant

Alexander Labrie · https://www.alexanderlabrie.com/contact