DENVER (Billboard) - A new music lyrics service launched by Yahoo illustrates the potential and the challenges of integrating lyrics into digital music products today.

While the demand for searchable music lyrics has always been high, the process of licensing these lyrics from the complicated maze of music publishers and songwriters has limited such sites to unauthorized, and often inaccurate, rogue sites.

Yahoo's partner, Gracenote, began the task of navigating the process in summer 2006, and has succeeded in striking licensing and payment agreements with such publishers as BMG Music Publishing, Universal Music Publishing, Sony/ATV Music Publishing and various other entities representing more than 10,000 rights organizations. Gracenote will receive a share of the advertising revenue gained from the lyrics service and pay rights holders directly.

The service at launch supports 400,000 songs. Gracenote says it will add to the database on a regular basis as it clears additional rights.

The cost of including the lyrics to these files -- primarily the result of the licensing fee -- would either force digital retailers to increase the cost of their service or accept less of an already-thin margin.

Yet at Yahoo and elsewhere, lyrics remain a notable omission from digital music files either purchased or acquired through subscription models. Not only do consumers not receive song lyrics with their download, they can't search for songs by lyrics within Yahoo Music Unlimited or any other digital music service including iTunes.

But Yahoo and Gracenote say these issues will be resolved over time once publishers begin realizing the added revenue that lyrics bring them. Gracenote CEO Craig Palmer estimates that lyric license fees could result in as much as $100 million in annual revenue within 10 years.