FRANKFURT — Less than a year after Bertelsmann, the German media giant, exited the music business, it is taking a novel approach to get back in.

The company said Wednesday that it would form a joint venture with the private equity firm Kohlberg Kravis Roberts & Company to license and administer music rights.

The new company will combine Bertelsmann’s existing BMG Rights Management unit with the financial muscle of K.K.R., which will own 51 percent of the joint venture, with Bertelsmann holding the rest.

And while BMG’s indirect competitors will be the music publishing titans of the world, like EMI, Warner Music, Universal and Sony — companies that market the immense catalogs they own — BMG is counting on signing artists who are seeking someone who will administer their intellectual property without actually owning it.

“Our financial strength combined with BMG’s sector expertise will create a unique platform for building up a global music-rights management business,” Johannes P. Huth, the European head of K.K.R., said in a statement.

In August, Bertelsmann sold its stake in the music company SonyBMG to Sony for $900 million. As part of the deal, it retained the rights to 200 European artists, who, with 100 signed since October, form the core of BMG Rights Management, which is based in Berlin.

Founded last October, BMG Rights Management is a relatively new business that acts as an agent for artists whose intellectual property can be licensed for uses outside of traditional recording. For example, the music can be broadcast through various media or used in movie productions.

Its stable of artists includes Toby Gad, a German songwriter living in New York who has worked with artists including Beyoncé and Hannah Montana, and 2Raumwohnung, a popular German group.
K.K.R. will put $50 million up front into the new company, drawing on its European investment funds, and another $200 million over five years as investment opportunities arise, according to Philipp Freise, a director of K.K.R. in Europe and member of its global media team.

“We both want to broaden BMG’s global reach faster than originally anticipated,” Thomas Rabe, Bertelsmann’s chief financial officer, said.

Hartwig Masuch, BMG’s chief executive and a veteran of its music publishing business, will keep that title in the new company.

BMG has offices in six European countries, including Germany, Britain and Italy, and is now turning its gaze across the Atlantic to begin signing artists there. “With this joint venture, the main point now is to get active in the United States,” said Tobias Riepe, a Bertelsmann spokesman.

Though its first priority is acquiring a stable of artists, another possibility for expansion would be for BMG to acquire control of music catalogs in its own right from other owners, or artists who sell them, Mr. Riepe said.

The music world, for example, is now abuzz with speculation about what will happen to the catalogs controlled by heirs of Michael Jackson. The recently deceased pop superstar had his own music catalog, and a 50 percent interest in the Sony/ATV collection, which includes songs from The Beatles — assets the family could try to sell.

Bertelsmann is heavily indebted — to the amount of 6.7 billion euros ($9.4 billion) — as a result of the decision by its controlling family, the Mohns, to buy out Albert Frère, a major shareholder, in 2006. Though it has been able to refinance its debts despite the financial crisis, it is searching for ways to raise revenues without major investments, leading it to a focus on services like BMG, rather traditional publishing.
Bertelsmann and K.K.R. in Music Rights Venture – NYTimes.com

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