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Music Modernization Act Updates and Related News

Information provided by the United States Copyright Office

Copyright

From the Copyright Office

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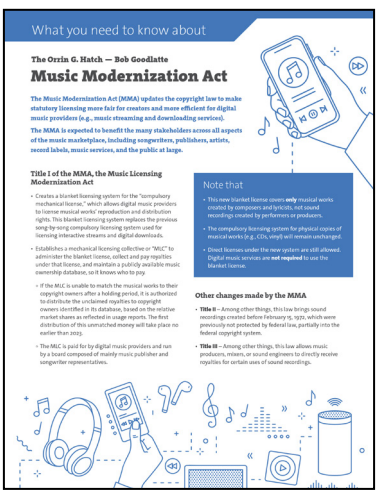
A lot has happened since the passage of the Music Modernization Act (MMA) in October 2018. Over the past year, the Office engaged in over thirty public engagement activities, including speaking at events and developing digital products. We were even featured on a podcast. In July, the Copyright Office designated the Mechanical Licensing Collective, Inc. to administer the new blanket license, and in September, the Office issued a notice addressing the implementation of regulations that will apply to the blanket license.

But the most important changes are yet to come. January 1, 2021, will mark the day that the new blanket license takes effect under the MMA. Over the next few years, the Copyright Office will be engaging in a comprehensive public education campaign. But we need your help to ensure everyone is aware of the important changes on the horizon. Thank you for subscribing to our newsletter, and most importantly, helping to spread the word with your network!

Sincerely,
Regan Smith
General Counsel and Associate Register of Copyrights
U.S. Copyright Office

What You Need to Know about Title I



What you need to know about

The Orrin G. Hatch — Bob Goodlatte

Music Modernization Act

The Music Modernization Act (MMA) updates the copyright law to make statutory licensing more fair for creators and more efficient for digital music providers (e.g., music streaming and downloading services).

The MMA is expected to benefit the many stakeholders across all aspects of the music marketplace, including songwriters, publishers, artists, record labels, music services, and the public at large.

Title I of the MMA, the Music Licensing Modernization Act

- Creates a blanket licensing system for the "compulsory mechanical license," which allows digital music providers to license musical works' reproduction and distribution rights. This blanket licensing system replaces the previous song-by-song compulsory licensing system used for licensing interactive streams and digital downloads.
- Establishes a mechanical licensing collective or "MLC" to administer the blanket license, collect and pay royalties under that license, and maintain a publicly available music ownership database, so it knows who to pay.
  - If the MLC is unable to match the musical works to their copyright owners after a holding period, it is authorized to distribute the unclaimed royalties to copyright owners identified in its database, based on the relative market shares as reflected in usage reports. The first distribution of this unmatched money will take place no earlier than 2023.
  - The MLC is paid for by digital music providers and run by a board composed of mainly music publisher and songwriter representatives.

Note that

- This new blanket license covers **only** musical works created by composers and lyricists, not sound recordings created by performers or producers.
- The compulsory licensing system for physical copies of musical works (e.g., CDs, vinyl) will remain unchanged.
- Direct licenses under the new system are still allowed. Digital music services are **not required** to use the blanket license.

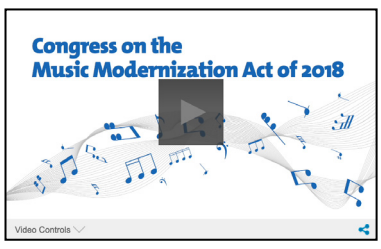
Other changes made by the MMA

- **Title II** – Among other things, this law brings sound recordings created before February 15, 1972, which were previously not protected by federal law, partially into the federal copyright system.
- **Title III** – Among other things, this law allows music producers, mixers, or sound engineers to directly receive royalties for certain uses of sound recordings.

Title I of the Music Modernization Act makes significant updates to the way songwriters are paid when their works are played on digital streaming services. The Copyright Office has a basic guide breaking down this important section of the law, available for download here.

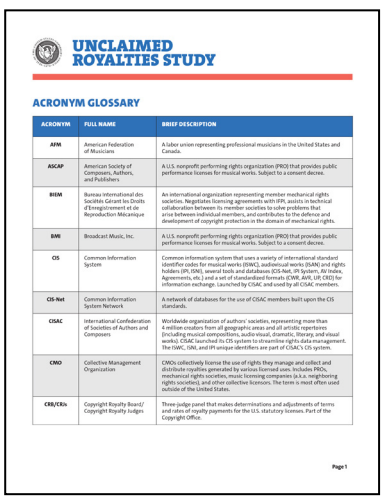
You can also request physical copies by emailing copyoutreach@copyright.gov with the subject line MMA MATERIALS.

The Creation of the Music Modernization Act



The Music Modernization Act passed with unanimous support in Congress, but not without the efforts of many. Take a look at how this law came together on our website, including interviews with the members of Congress who worked to ensure its passage.

Unclaimed Royalties Study Video and Glossary of Terms



UNCLAIMED ROYALTIES STUDY

ACRONYM GLOSSARY

ACRONYM	FULL NAME	BRIEF DESCRIPTION
AFM	American Federation of Musicians	A labor union representing professional musicians in the United States and Canada.
ASCAP	American Society of Composers, Authors, and Publishers	A U.S. nonprofit performing rights organization (PRO) that provides public performance licenses for musical works. Subject to a consent decree.
BIEM	Bureau International des Sociétés Gérant les Droits d'Enregistrement et de Reproduction Mécanique	An international organization representing member mechanical rights societies. Negotiates licensing agreements with IFPI, assists in technical collaboration between its member societies to solve problems that arise between individual members, and contributes to the defence and development of copyright protection in the domain of mechanical rights.
BMI	Broadcast Music, Inc.	A U.S. nonprofit performing rights organization (PRO) that provides public performance licenses for musical works. Subject to a consent decree.
CIS	Common Information System	Common information system that uses a variety of international standard identifier codes for musical works (ISWC), audiovisual works (ISAN) and rights holders (IPI, ISNI), several tools and databases (CIS-Net, IPI System, AV Index, Agreements, etc.) and a set of standardized formats (CWR, AVR, UR, CRD) for information exchange. Launched by CISAC and used by all CISAC members.
CIS-Net	Common Information System Network	A network of databases for the use of CISAC members built upon the CIS standards.
CISAC	International Confederation of Societies of Authors and Composers	Worldwide organization of authors' societies, representing more than 4 million creators from all geographic areas and all artistic repertoires (including musical compositions, audio visual, dramatic, literary, and visual works). CISAC launched its CIS system to streamline rights data management. The ISWC, ISNI, and IPI unique identifiers are part of CISAC's CIS system.
CMO	Collective Management Organization	CMOs collectively license the use of rights they manage and collect and distribute royalties generated by various licensed uses. Includes PROs, mechanical rights societies, music licensing companies (a.k.a. neighboring rights societies), and other collective licensors. The term is most often used outside of the United States.
CRB/CRJs	Copyright Royalty Board/ Copyright Royalty Judges	Three-judge panel that makes determinations and adjustments of terms and rates of royalty payments for the U.S. statutory licenses. Part of the Copyright Office.

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As directed by the MMA, the U.S. Copyright Office is undertaking a public study to determine the best practices that the Mechanical Licensing Collective may implement to effectively identify copyright owners and unclaimed royalties of musical works while encouraging copyright owners to claim royalties and ultimately reduce the occurrence of unclaimed royalties. To provide an educational foundation and facilitate public discussion on issues relevant to the study, the Office held an all-day symposium on December 6. The full transcript, glossary of terms, and videos from the event are available here.

United States Copyright Office
copyright.gov
(202) 707-3000
or 1 (877) 476-0778 (toll-free)