

31 Oct
2018

Music Modernisation Act brings copyright closer to the 21st century

[Baker Donelson](#) - USA

Co-published

On 11 October 2018 President Trump signed the Music Modernisation Act into law. The act unanimously passed both sides of Congress and is considered to be a sweeping reform that finally addresses copyright issues raised by advancements in digital music delivery. In particular, it aims to ensure that rights holders, such as songwriters and artists, are paid more and collect royalties more easily.

Perhaps the most significant component is the creation of the Mechanical Licensing Collective (MLC), from which a digital music provider or streaming service can obtain a blanket licence to stream copyrighted media. The MLC will be governed by a board of directors, including representatives of music publishers and professional songwriters. While generally charged with administering blanket licences and collecting and distributing royalties to songwriters and publishers, the MLC is also directed to:

- identify copyrighted material embodied in sound recordings;
- locate the rights holders of such material; and
- provide a process for those rights holders to claim their ownership rights.

The Music Modernisation Act also provides a means for raising royalty rates to reflect changes in the market.

By participating in the MLC, digital music providers will enjoy some protection from – and limitations on liability in – infringement lawsuits filed on or after 1 January 2018 in relation to past infringements (ie, before the blanket licence availability date).

A separate part of the legislation, the Allocation for Music Producers Act, provides for improved payments to producers and engineers who historically have not been adequately compensated for their part in the music creation process.

**BAKER
DONELSON**



W Edward
Ramage

A third component, the Compensating Legacy Artists for their Songs, Service and Important Contributions to Society Act, provides a form of copyright protection to pre-1972 sound recordings. This attempts to fill a gap left by the 1972 copyright legislation, which extended protection to sound recordings but left pre-1972 recordings in the cold (copyright owners had to rely on common law or state law for protection). As a result, rights holders should now receive royalties for songs recorded before 1972.

The Music Modernisation Act will generally take effect from the date of enactment.

For further information contact:

W Edward Ramage

Baker Donelson

[View website](#)

Email: eramage@bakerdonelson.com

Tel: +1 423 756 2010

This is a co-published article whose content has not been commissioned or written by the IAM editorial team, but which has been proofed and edited to run in accordance with the IAM style guide.

TAGS

[North America](#), [United States of America](#)