



Virginia Association of Broadcasters Legal Review



Brooks, Pierce, McLendon, Humphrey &
Leonard, LLP
Counsel to VAB • (919) 839-0300

250 West Main Street, Suite 100
Charlottesville, VA 22902
(434) 977-3716

December 27, 2016

Legal Memorandum

MUSIC LICENSING ALERT: Global Music Rights Makes Interim License Available to Radio Stations; Stations Must Take Action by January 31, 2017!

As we have previously reported, the Radio Music License Committee (“RMLC”) and Global Music Rights (“GMR”) have been in protracted negotiations over music licensing fees for the public performance by radio stations of songs in GMR’s newly-created repertory. In November, the RMLC filed an antitrust lawsuit against GMR in the United States District Court for the Eastern District of Pennsylvania. And in early December, GMR responded with its own antitrust lawsuit against the RMLC (and up to 3,000 yet-to-be-named radio station operators) in the United States District Court for the Central District of California.

On December 24, the RMLC announced that GMR will make available to radio stations an interim license agreement pending the resolution of these lawsuits. This announcement is very timely. In the absence of this development, as of January 1, 2017, stations risked potential copyright infringement if they played songs in GMR’s repertory.

The RMLC reports that GMR will make the interim license available to all radio stations until January 31, 2017, and that GMR will not file a copyright lawsuit against any station without a license before that date.

You must **take action** if you wish to use the interim license for your station. The interim license is not automatic. You must contact GMR to enter into the interim license and ascertain your station’s specific fee for the interim license. You can contact GMR at: licensing@globalmusicrights.com.

Here’s a summary of the key provisions of GMR’s interim license:

- You have until January 31, 2017, to enter into the GMR interim license and to start making payments of your station’s interim fee.

- The term of the interim license is for nine (9) months, commencing January 1, 2017 (ending September 30, 2017).
- The interim license is on a “non-precedential basis,” meaning that your station and GMR each retains the right to seek a retroactive fee adjustment in future license agreements or as a result of the RMLC’s and GMR’s pending lawsuits.
- The interim license covers terrestrial, non-interactive digital simulcasts, and promotional websites owned by your station.
- The license fee is payable on a monthly basis, without monthly invoices from GMR. Fees are due on or before the end of each month during the term (e.g., on or before January 31, 2017, February 28, 2017, etc.).
- GMR is required to provide your station with a full and complete list of all songs owned or controlled by GMR, along with all ownership splits.
- Your station must provide substantially the same reporting data to GMR that it provides to ASCAP, BMI, and SESAC from time to time.
- The terms of the interim license—in particular, your specific license fee and GMR’s non-public client and song list—must be kept confidential.

Again, for your specific interim license fee and to enter into the interim license, you need to contact GMR. You should evaluate your specific interim license proposal with your legal counsel.

If you have any questions concerning the information discussed in this memorandum, please contact your communications counsel or any of the undersigned.

Stephen Hartzell, Editor

BROOKS, PIERCE, McLENDON,
HUMPHREY & LEONARD, L.L.P.

Wade H. Hargrove
Mark J. Prak
Marcus W. Trathen
David Kushner
Coe W. Ramsey
Charles E. Coble
Charles F. Marshall
Stephen Hartzell
J. Benjamin Davis
Julia C. Ambrose
Elizabeth E. Spainhour
Eric M. David
Timothy G. Nelson

This Legal Review should in no way be construed as legal advice or a legal opinion on any specific set of facts or circumstances. Therefore, you should consult with legal counsel concerning any specific set of facts or circumstances.

© 2016 Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.