

**The MLC**

**Dispute Policy:  
Musical Work Ownership**

**February 2021**

## Table of contents

1. Overview .....	3
2. Scope of policy .....	3
3. Definitions .....	3
4. Conflict Submissions .....	6
5. Substantiating Documentation .....	6
6. Suspense and Dispute Status .....	7
7. Legal Hold.....	8
8. Termination of Dispute Status .....	8

## **1. Overview**

- 1.1. This policy addresses the standard procedures of the Mechanical Licensing Collective (“Collective”) on processing royalties for musical works that are subject to conflicting claims and disputes over ownership interests.
- 1.2. The Collective does not judge or resolve Conflicts or Disputes, or participate in the substantive resolution of Conflicts or Disputes. The Collective encourages Claimants to engage in dispute resolution processes, and may provide information on outside dispute resolution resources.

## **2. Scope of policy**

- 2.1. This policy applies to Conflicts concerning claims of Ownership to Works or Shares, which may include:
  - Work overclaims, where Claims to a Work exceed 100% of Shares;
  - Share counterclaims, where Claims to a specifically identifiable Share exceed the amount of that Share.
- 2.2. The MLC will endeavor where appropriate in its discretion to narrow Conflicts and Disputes to specifically identified Shares rather than an entire Work. In making this decision, The MLC will consider agreement by the relevant Claimants that the Conflict or Dispute concerned only relates to a particular Share of a particular Work and not the Work in its entirety. The MLC may adjust the scope of an existing Conflict or Dispute, as well as the extent to which any corresponding Royalties are being held in Suspense in connection with a given Dispute, to address only the appropriate Shares at issue.
- 2.3. The MLC may address Conflicts and Disputes over multiple Works or Shares together where appropriate, such as at the catalog level.
- 2.4. The standard procedures herein are subject to change in The MLC’s reasonable discretion in connection with any particular Conflict, including based upon an order of any tribunal reviewing a Legal Claim, due to force majeure or extenuating circumstances, or for other good cause.
- 2.5. This policy and procedures hereunder shall not affect any legal or equitable rights or remedies available to any copyright owner or songwriter concerning ownership of, and entitlement to royalties for, a musical work.

## **3. Definitions**

- 3.1. Blanket License

Any and all blanket licenses administered by The MLC pursuant to 17 U.S.C. 115 for the use of Works in covered activities thereunder.

3.2. Claim

A claim to Ownership of a Work/Share that is registered with the Collective.

3.3. Claimant

A Member who has a Claim.

3.4. Conflict

A situation of conflict between two or more Claims with respect to Ownership, including Work overclaims or Share counterclaims.

3.5. Conflict Procedure

The procedure described in Section 4 for Conflict notification and submission of Substantiating Documentation.

3.6. Dispute

A status for a Work/Share in Conflict where respective Royalties are in Suspense.

3.7. Dispute Party

A Claimant who has submitted Substantiating Documentation of a Claim in a Work/Share that is in Dispute or any Claimant involved in a situation described in Section 6.3.3.

3.8. Documentation Period

Any of the periods set forth herein during which Claimants may submit Substantiating Documentation in order to maintain a particular Claim.

3.9. Existing Claim

A Work/Share Claim initially registered with The MLC more than 90 calendar days before the date of the Conflict at issue or initially registered with The MLC's vendor prior to January 1, 2021 and included in The MLC's musical works database based on that existing registration.

3.10. Interim Suspense

An interim status where Royalties payable for a Work/Share in Conflict are accrued and held by the Collective pending completion of the Conflict Procedure.

3.11. Legal Claim

A Claim or Conflict that is the subject of a proceeding before a tribunal of appropriate jurisdiction, including appropriate courts of law and/or arbitration panels.

3.12. Member

A properly registered Member of The MLC.

3.13. New Claim

A Work/Share Claim initially registered with The MLC within 90 calendar days from the date of the Conflict concerned.

3.14. Notice

A Notice that is provided either through The MLC Portal, to the email address provided for a Claimant in its Portal account, or as otherwise reasonably determined by The MLC to notify a Claimant.

3.15. Ownership

The right to receive Royalties from the use of a Work made pursuant to the Blanket License. Ownership may be defined at the Work or Share level.

3.16. Royalties

Mechanical royalties the Collective has collected pursuant to the Blanket License that are ready to be distributed to the owner of a particular Work/Share in accordance with The MLC's distribution policies and procedures.

3.17. Share

A specified portion of the Royalties payable in connection with the use of a Work pursuant to the Blanket License, identified as a percentage of such Royalties for any given use of the Work.

3.18. Substantiated Claim

A Claim involved in a Conflict for which the Claimant has submitted adequate Substantiating Documentation during the Documentation Period.

3.19. Substantiating Documentation

Documentation identified in Section 5 herein that is adequate to maintain a Claim involved in a Conflict.

3.20. Suspense

A status describing Royalties that are being accrued and held by the Collective pending resolution of a Dispute.

3.21. Work

A musical composition, including any accompanying lyrics. Works can include original musical compositions and original arrangements, as well as new versions of original musical compositions and arrangements to which new copyrightable authorship has been added.

3.22. Work/Share

A Work or Share, as applicable.

#### **4. Conflict Procedure**

- 4.1. The MLC may commence a Conflict Procedure upon receipt of any information indicating that a Conflict exists. Any Member may provide information to The MLC concerning a Conflict related to a Work/Share for which that Member has made a Claim.
- 4.2. Upon the commencement of a Conflict Procedure for a Conflict that involves one or more Existing Claims and one or more New Claims:
  - 4.2.1. The MLC will first notify Claimants with New Claims that a Conflict exists. Claimants with New Claims will have a Documentation Period of 30 calendar days from the date of Notice to: (1) update their Claim in the Portal and/or (2) submit Substantiating Documentation of their Claim.
  - 4.2.2. If one or more Claimants with New Claims submits Substantiating Documentation within the Documentation Period, The MLC will provide Notice to all Claimants with Existing Claims that a Conflict exists and then provide all Claimants additional details regarding the Claims in Conflict and the contact information for all Conflict Claimants. Claimants with Existing Claims will have 30 calendar days from the date of Notice to: (1) update their Claims in the Portal and/or (2) submit Substantiating Documentation of their Claims.
- 4.3. Upon the commencement of a Conflict Procedure for a Conflict that involves only New Claims:
  - 4.3.1. The MLC will notify all Claimants with Claims related to the Conflict that a Conflict exists and then provide those Claimants with additional details regarding the Claims in Conflict and the contact information for all Claimants. Claimants will have 30 calendar days from the date of Notice to: (1) update their Claim in the Portal and/or (2) submit Substantiating Documentation of their Claim.

#### **5. Substantiating Documentation**

- 5.1. Substantiating Documentation shall include one or more of the following documents:
  - 5.1.1. Executed Agreements that provide legal support for a Claim (including but not limited Publishing Agreements, Co-publishing Agreements, Sub-publishing Agreements, Administration Agreements, Songwriter Agreements, Signed Split Sheets and Letters of Direction)

- 5.1.2. A Notarized Declaration explaining the reasons why other Substantiating Documentation cannot be submitted, along with an explanation of any relevant Ownership details being asserted and any chain of title for the Work/Share concerned.
- 5.2. Substantiating Documentation may include additional documentation a Claimant believes to be relevant to the Conflict concerned, such as a US copyright registration, a confirmed PRO registration or a musicologist report.
- 5.3. The MLC does not verify or approve Substantiating Documentation or the merits of Claims.
- 5.4. The MLC may accept Substantiating Documentation as submitted, and retains discretion to reasonably determine if a submission constitutes Substantiating Documentation for a Claim.
- 5.5. A Claimant that fails to provide Substantiating Documentation within the Documentation Period may have their claim rejected by The MLC. A Claimant whose claim is rejected for failure to provide Substantiating Documentation may file a new Claim with Substantiating Documentation at a later date.

## **6. Suspense and Dispute Status**

- 6.1. When a Conflict Procedure commences with respect to a Conflict that involves only New Claims, The MLC will place Royalties for the Work/Share in Conflict into Interim Suspense pending the completion of Conflict Procedure.
- 6.2. After a Conflict Procedure commences with respect to a Conflict that involves one or more Existing Claims, if The MLC receives Substantiating Documentation from any Claimants with New Claims that reflects a Conflict, The MLC will place Royalties for the Work/Share in Conflict into Interim Suspense pending the completion of Conflict Procedure.
- 6.3. Upon completion of a Conflict Procedure, The MLC will adjust the status of the Work/Share concerned and the status of any related Royalties that were placed in Interim Suspense as follows:
  - 6.3.1. If the Substantiated Claims exceed 100% of the Work/Share at issue, the Work/Share will move into Dispute with Royalties in Suspense;
  - 6.3.2. If the Substantiated Claims are less than or equal to 100% of the Work/Share at issue, the Substantiated Claims will be accepted, the related Royalties will be released from Interim Suspense, and the Work will be removed from Conflict;
  - 6.3.3. In a Conflict involving only New Claims, if no Substantiating Documentation is received from any Claimant, the status of the Work/Share will be changed to be in Dispute, and the corresponding Royalties will be placed in Suspense.

## **7. Legal Hold**

- 7.1. At any time, if The MLC is presented with information that a Legal Claim exists with respect to a Work/Share, The MLC will initiate a Legal Hold, notify all affected Claimants, and place the corresponding Royalties for the Work/Share in Suspense pending resolution of the Legal Claim.
- 7.2. Despite the existence of a Legal Hold, The MLC in its discretion may also commence a Conflict Procedure as described herein (such as where the procedure may assist in narrowing a Conflict to a specifically identified Share).

## **8. Termination of Suspense and Dispute Status**

- 8.1. A Work/Share placed in Dispute will remain in Dispute, with Royalties in Suspense, until The MLC receives: (a) written documentation that evidences a resolution by all Dispute Parties, or (b) a legal order, legal decision, or legal judgment resolving the Conflict or otherwise directing The MLC to adjust the status of the Work/Share.
- 8.2. The MLC will notify all Dispute Parties of any change in the status of a Dispute.