

The MLC

**Notice and Dispute Policy:
Statutory Terminations**

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1. Overview

- 1.1. This Policy outlines the standard procedures the Mechanical Licensing Collective (“The MLC”) uses to (1) review and address Termination Claims, (2) administer Royalties for Works/Shares that are subject to Termination Claims, and (3) address Termination Disputes. Unless otherwise defined herein, all capitalized terms are as defined below.

2. Scope of Policy

- 2.1. This Policy applies to Termination Claims and Termination Disputes.
- 2.2. The MLC may endeavor where appropriate to narrow the scope of potential Termination Disputes to specifically identified Shares rather than an entire Work. The MLC will implement any agreement between a Terminating Claimant and Existing Claimant where a Termination Dispute relates to a particular Share of a particular Work (and not to the Work in its entirety). The MLC will encourage the applicable parties to reach an agreement where practicable.
- 2.3. The MLC may address potential Termination Disputes regarding multiple Works or Shares together where appropriate.
- 2.4. The MLC may modify the processes described in this Policy regarding any particular Termination Claim and/or Termination Dispute based on 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 the processes described herein shall not limit or diminish any legal or equitable rights or remedies available to any relevant rightsowner concerning, inter alia, ownership of any Work/Share or entitlement to Royalties for any uses of any Work/Share. In addition, this Policy and the processes described herein shall not supersede any applicable laws currently existing or hereinafter enacted.
- 2.6. A voluntary agreement among the respective Terminating Claimant and Existing Claimant will be implemented in the place of the processes in this Policy, provided, however, that where such agreement seeks to change Ownership from a Terminating Claimant (or its designee) to an Existing Claimant (or its designee), notice of such a change must (A) be signed after the EDT and (B) must set forth in plain language an acknowledgement that that the requested action alters the Royalty payee from that established by 37 C.F.R. by § 210.29(b)(4)(i).

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. *Claimant*
One or more Terminating Claimants and Existing Claimants may be collectively referred to as “Claimant” or “Claimants.”
- 3.3. *Covered Activities*

- As defined in 17 U.S.C. § 115(e)(7).
- 3.4. *Copyright Office*
The United States Copyright Office.
- 3.5. *Derivative Works Exception*
The exceptions and/or limitations contained in 17 U.S.C. § 203(b)(1) and § 304(c)(6)(A) of the U.S. Copyright Act.
- 3.6. *Dispute Documentation*
Information that an Existing Claimant delivers to The MLC to substantiate a Termination Dispute, as set forth in Section 8 below.
- 3.7. *DMP*
Digital Music Provider as defined in 17 U.S.C. § 115(e)(8).
- 3.8. *EDT*
The effective date of termination of the grant of transfer or license to the Existing Claimant for a particular Work/Share as set forth in the Statutory Termination Notice, or as otherwise agreed by the respective Claimants.
- 3.9. *Existing Claim*
A claim of Ownership with respect to a Work/Share registered with The MLC.
- 3.10. *Existing Claimant*
A party with an Existing Claim.
- 3.11. *Legal Claim*
A Termination Claim or a Termination Dispute that is the subject of a legal proceeding before a tribunal of appropriate jurisdiction, including courts of law and/or arbitration panels.
- 3.12. *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.
- 3.13. *Royalties*
Mechanical royalties The MLC has collected pursuant to (1) the Blanket License or (2) the transfer of accrued historical unmatched mechanical royalties that are ready to be distributed.
- 3.14. *Share*
A specified portion of a Work identified as a percentage of such Work (e.g., based on a share of authorship or ownership).
- 3.15. *Statutory Termination Notice*
The notice of termination that the Terminating Claimant has served upon the Existing Claimant and submitted to the Copyright Office for recordation in accordance with 37 C.F.R. § 201.10 and 17 U.S.C. § 203(a)(4) or § 304(c)(4).
- 3.16. *Substantiating Documentation*

Information that a Termination Claimant delivers to The MLC to substantiate a Termination Claim, as set forth in Section 5 below.

3.17. *Suspense*

A status describing where The MLC accrues and holds certain Royalties pending implementation of a Termination Claim or resolution of a Termination Dispute.

3.18. *Termination Claim*

A claim of Ownership with respect to a Work/Share based on the assertion of a termination right arising under 17 U.S.C. § 203 or § 304 of the U.S. Copyright Act that conflicts with an Existing Claim. Termination Claims must be submitted to The MLC in accordance with Section 4 below.

3.19. *Terminating Claimant*

A party who has properly asserted a Termination Claim. Note that while any party may assert a Termination Claim, The MLC cannot pay Royalties to any party for uses of a Work/Share at issue until such party has become a member of The MLC and registered the relevant Work/Share with The MLC.

3.20. *Termination Dispute*

A conflict between a Terminating Claimant and an Existing Claimant regarding (1) the validity of the Termination Claim or (2) the application of the Derivative Works Exception to a particular voluntary license or its underlying grant of authority.

3.21. *Termination Notice Form*

A completed, signed and certified Termination Notice Form, available [here](#).¹ The form must contain complete responses to the fields marked as required.

3.22. *Work*

A musical composition, including any accompanying lyrics. Works may 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.

3.23. *Work/Share*

A Work or Share, as applicable.

4. Notice Process

4.1. A party asserting a Termination Claim with respect to a given Work/Share shall initiate such a claim with The MLC by submitting:

- (i) A properly completed Termination Notice Form found [here](#);² and
- (ii) The required Substantiating Documentation described in Section 5.1 below.

4.2. Upon receipt of the materials described in Section 4.1 above, The MLC will provide the submitting party with prompt confirmation of receipt of the Termination Notice Form and any

¹ The link is: <https://pages.themlc.com/termination-notice-form>

² The link is: <https://pages.themlc.com/termination-notice-form>

Substantiating Documentation and the date of receipt.

- 4.3. Within 15 days of receipt of the materials described in Section 4.1 above, The MLC will notify the Existing Claimant that a Termination Claim has been initiated and share with the Existing Claimant copies of the Termination Notice Form and any and all Substantiating Documentation that the Terminating Claimant has submitted to The MLC. The MLC will also contemporaneously alert the Terminating Claimant that such notice was sent to the Existing Claimant.
- 4.4. Where the materials that a party asserting a Termination Claim submits pursuant to Section 4.1 above are not sufficient to enable The MLC to implement and give effect to a Termination Claim with respect to a particular Work/Share, The MLC shall promptly correspond with the Claimants to attempt to obtain the minimum necessary information.
- 4.5. A party asserting a Termination Claim may withdraw its claim at any time by notifying The MLC in writing of such withdrawal at publisherservices@themlc.com.
- 4.6. The MLC may, at the written request of the party asserting a Termination Claim, convert a Termination Notice Form into a Notice of Catalog Transfer, where appropriate, and process the Notice of Catalog Transfer under The MLC's Catalog Transfer Policy.³

5. Substantiating Documentation

- 5.1. Substantiating Documentation for a Termination Claim must include:
 - (i) A true, correct, complete, and legible copy of the signed and as-served Statutory Termination Notice;
 - (ii) A true, correct, complete, and legible copy of the statement of service submitted to the Copyright Office for recordation pursuant to 37 C.F.R. § 201.10, if one was submitted;
 - (iii) Proof, as to each Work/Share at issue, that the Statutory Termination Notice was either (1) recorded in the Copyright Office before the EDT or (2) was submitted to the Copyright Office for recordation before the EDT, provided that proof that the Statutory Termination Notice as to such Work/Share was recorded in the Copyright Office before the EDT is delivered to The MLC at a later date
 - (iv) If the Terminating Claimant is not the person(s) who executed the Statutory Termination Notice, a copy of the agreement or other documentation demonstrating that the Terminating Claimant has the Ownership of the Work/Share(s) that are the subject of the Statutory Termination Notice; and
 - (v) Any additional documents or information that The MLC may, in its reasonable discretion, require to enable it to implement and give effect to the Termination Claim with respect to a particular Work/Share.
- 5.2. With respect to the information required by Section 5.1 above:
 - (i) The MLC will not require an official Copyright Office certification for any such information. If The MLC has good cause to doubt the authenticity of any such

³ The MLC's Catalog Transfer Policy is available on The MLC's website at: <https://www.themlc.com/dispute-policy>

information, The MLC will either seek verification from the Copyright Office or request that the Terminating Claiming provide such verification to The MLC.

- (ii) Where the Statutory Termination Notice identifies more than one Work/Share, each Work/Share shall be treated independently.
- 5.3. Substantiating Documentation may be appropriately redacted to protect confidential information that is not required to enable The MLC to implement and give effect to the Termination Claim.

6. Implementation Process

- 6.1. Where The MLC receives a properly submitted and substantiated Termination Claim at least 45 calendar days before the first day of the first monthly reporting period to commence after the EDT, and the Existing Claimant has not initiated a Termination Dispute under Section 7 below, The MLC will implement and give effect to the Termination Claim, on a prospective basis, beginning no later than the first distribution of Royalties for such reporting period.
- 6.2. Where The MLC receives a Termination Claim less than 45 calendar days before the first day of the first monthly Reporting Period to commence after the EDT, and the Existing Claimant has not initiated a Termination Dispute under Section 7 below, The MLC will implement and give effect to the Termination Claim, on a prospective basis, beginning no later than the first distribution of Royalties based on the first payee snapshot taken by The MLC at least 30 calendar days after the Existing Claimant's deadline to initiate a Termination Dispute under Section 7 below.
- 6.3. Where The MLC, in its discretion, requires additional information necessary to implement and give effect to a Termination Claim, the timing requirements described in Section 6.1 and 6.2 shall be based on the date that the last piece of necessary information is received by The MLC.
- 6.4. Where a Termination Claim is accompanied by proof that the Statutory Termination Notice was submitted to the Copyright Office for recordation, but the notice is not accompanied by proof that it was recorded in the Copyright Office before the EDT, The MLC will act as follows:
 - (i) Upon subsequent receipt of proof that the Statutory Termination Notice was recorded in the Copyright Office before the EDT, The MLC shall treat the proof of recordation as a type of additional information under Section 6.3. The MLC shall not implement or give effect to any such Termination Claim unless and until such proof is received.
 - (ii) Until subsequent receipt of the proof that the Statutory Termination Notice was recorded in the Copyright Office before the EDT, The MLC shall place applicable accrued Royalties in Suspense pending receipt of such proof as follows:
 - (A) The MLC shall commence placing Royalties in Suspense no later than the implementation deadline that would apply under Sections 6.1 through 6.3, as applicable, if proof of recordation had been provided with the Termination Claim.
 - (B) After receiving proof that the Statutory Termination Notice was recorded in the Copyright Office before the EDT is received, The MLC shall implement and give effect to the termination under this Section 6.
 - (C) After receiving proof that the Copyright Office refused to record the Statutory

Termination Notice, the recordation submission was withdrawn, or the Statutory Termination Notice was recorded on or after the EDT, The MLC shall release Royalties in Suspense to the Existing Claimant.

(D) If, within 6 months after The MLC commences placing applicable accrued Royalties in Suspense, The MLC does not receive either (1) proof that the Statutory Termination Notice was recorded in the Copyright Office before the EDT or (2) proof that the Copyright Office refused to record the Statutory Termination Notice, the recordation submission was withdrawn, or the Statutory Termination Notice was recorded on or after the EDT, The MLC shall request that the Terminating Claimant provide an update about the status of the relevant recordation submission. If the submission remains pending at that time, The MLC may continue to request periodic updates from the Terminating Claimant in its discretion.

- 6.5. Where a change in Ownership noticed in a Termination Claim is effective as to one or more monthly reporting periods for which The MLC distributed Royalties before implementing and giving effect to the Termination Claim, The MLC may, but is not required to, make a corrective royalty adjustment if the notice requests one.
- 6.6. If The MLC does not implement and give effect to a Termination Claim in accordance with the deadlines prescribed by Sections 6.1 through 6.3, The MLC will implement and give effect to the Termination Claim as soon as reasonably practicable but no later than the later of: (1) the next regular monthly royalty distribution to occur either after the implementation deadline that originally applied under Sections 6.1 through 6.3, as applicable, or (2) at least thirty (30) calendar days after the date that The MLC learns that the Termination Claim was not implemented on time. In such cases, The MLC shall implement and give effect to the Termination Claim as of the implementation deadline that originally applied under Sections 6.1 through 6.3, as applicable, including by making any necessary corrective Royalty adjustments.

7. Termination Disputes

- 7.1. The MLC will begin implementation of a Termination Claim pursuant to Section 6 unless the Existing Claimant initiates a Termination Dispute and submits adequate Dispute Documentation to The MLC within thirty (30) days of its receipt of notice from The MLC pursuant to Section 4.3 above. Nothing herein shall prevent the Existing Claimant from initiating a Termination Dispute with The MLC at a later date or challenging the termination in a legal proceeding, with any placement of Royalties in Suspense occurring on a prospective basis.
- 7.2. An Existing Claimant may initiate a Termination Dispute regarding (1) the validity of the Termination Claim or (2) the application of the Derivative Works Exception to a particular voluntary license or its underlying grant of authority.
- 7.3. If the Existing Claimant initiates a Termination Dispute and delivers the required Dispute Documentation, The MLC shall place applicable accrued Royalties in Suspense pending resolution of the Termination Dispute.
- 7.4. With respect to any Termination Dispute concerning the application of the Derivative Works Exception to a particular voluntary license or its underlying grant of authority:
 - (i) The MLC shall, as needed and on an ongoing basis, invoice any applicable DMP for the

Royalties associated with the dispute.

- (ii) The MLC shall place such Royalties in Suspense pending resolution of the dispute.
 - (iii) Where the resolution of the Termination Dispute results in The MLC distributing Royalties pursuant to a Blanket License, the Royalties must include any accrued interest.
 - (iv) Where the resolution of the Termination Dispute results in a DMP paying a voluntary licensor, The MLC must promptly return the Royalties it placed Suspense, including any accrued interest, to the DMP accompanied by notice that the dispute has been resolved in such manner.
- 7.5. The MLC will disclose all Dispute Documentation to all Claimants to the Work/Share(s) at issue. If a Claimant is not a party or successor to a party to an otherwise confidential document, such disclosure shall be subject to an appropriate written confidentiality agreement (and such document may be redacted in accordance with Section 5.3 above).
- 7.6. The MLC may require additional documents and information from the Claimants to determine whether a Termination Dispute exists and/or to determine the scope of the potential Termination Dispute. The MLC may, in its discretion, share any such additional documents and information received from one Claimant with any other Claimant involved in a potential Termination Dispute. If a Claimant is not a party or successor to a party to an otherwise confidential document, such disclosure shall be subject to an appropriate written confidentiality agreement (and such document may be redacted in accordance with Section 5.4 above)
- 7.7. In all cases where The MLC requests additional documents and information hereunder, if the Claimant receiving the request does not respond within thirty (30) calendar days (or such other period specified by The MLC), The MLC will send a reminder notice to such Claimant, and the Claimant shall have an additional thirty (30) days (or such other period reasonably specified by The MLC) to respond to the reminder notice. If the receiving Claimant fails to respond to the reminder notice, The MLC, in its discretion, may presume that such receiving Claimant consents to the relevant assertion(s) made by the other Claimant (and such consent to such assertion may result in the implementation or rejection of the Termination Claim, as applicable). The failure by a receiving Claimant to respond to any of the notices described herein will not prevent such Claimant from reasserting its positions in the future by initiating its own Termination Dispute pursuant to this Policy or another applicable dispute Policy published by The MLC.
- 7.8. Any Termination Dispute initiated with The MLC under this Policy shall be limited to the Works/Shares subject to the dispute. The existence of a Termination Dispute shall not affect the implementation of a change with respect to any other Work/Share identified in the Termination Claim that is not subject to the dispute.

8. Dispute Documentation

- 8.1. Dispute Documentation that an Existing Claimant must deliver to The MLC to substantiate a Termination Dispute must include:
- (i) A cognizable explanation of the grounds for the dispute, articulated with

- specificity;
- (ii) Documentation sufficient to support the grounds for the dispute, which shall consist of the following:
 - (A) A true, correct, complete, and legible copy of each grant in dispute;
 - (B) A true, correct, complete, and legible copy of any other agreement or document necessary to support the grounds for the dispute (e.g., copies of agreements showing that the relevant post-termination rights were regranted to the Existing Claimant, copies of other relevant non-terminated grants, or copies of relevant pre-termination licenses); and
 - (C) Such other documentation or substantiating information as The MLC may require;
 - (iii) A satisfactory identification of each Work/Share subject to the dispute;
 - (iv) A certification that the submitter has appropriate authority to initiate the dispute with The MLC and that all information submitted in connection with the dispute is true, accurate, and complete to the best of the submitter's knowledge, information, and belief, and is provided in good faith; and
 - (v) The following additional information if the dispute concerns the application of the Derivative Works Exception to a particular voluntary license or its underlying grant of authority:
 - (A) A true, correct, complete, and legible copy of each voluntary license at issue;
 - (B) A satisfactory identification of each relevant sound recording that constitutes a derivative work within the meaning of 17 U.S.C. § 101 that was prepared pursuant to appropriate authority; and
 - (C) The date of preparation for each such sound recording, which must be before the EDT.
- 8.2. The MLC will not verify the validity or legitimacy of the Substantiating Documentation or the merits of Termination Claims, but The MLC will assess whether the Substantiating Documentation, on its face, is sufficient to evidence that a legitimate dispute between the parties actually exists.
- 8.3. Dispute Documentation may be appropriately redacted to protect confidential information that is not required to substantiate the Termination Dispute.

9. Impact of Termination Disputes and Legal Claims

- 9.1. At any time, if The MLC receives notice that a Termination Dispute or Legal Claim has been initiated with respect to a Termination Claim or Termination Dispute, The MLC will notify all affected parties and place or maintain all Royalties for uses of the corresponding Work/Share in Suspense pending resolution of the Termination Dispute or Legal Claim.
- 9.2. Notwithstanding the initiation of a Termination Dispute or Legal Claim, The MLC may, in its discretion, commence, continue, or complete the Termination Dispute Process.

- 9.3. Upon conclusion of a Termination Dispute or Legal Claim, The MLC will process the underlying Termination Claim or Termination Dispute in accordance with: (1) written documentation that evidences a resolution by the Claimants, or (2) a legal order, legal decision, or legal judgment resolving the Legal Claim or otherwise directing The MLC to implement and give effect to, or reject the Termination Claim, in whole or in part.