

January, 16, 2018

**Welcome to the Jungle (Then and Now):
Music, Money and Legalities of
Bands that Ruled the Sunset Strip**



**CALIFORNIA
COPYRIGHT
CONFERENCE**

NEWSLETTER

An Entertainment Industry Organization

The President's Corner

Thanks for joining us for the CCC's first panel of 2018. But, first, I'd like to thank everyone who joined us for the CCC's holiday party and first annual Apollo Awards. It was a pleasure to honor Cathy Spanberger and Jay Cooper for their excellence and accomplishments in the music industry. Moreover, we raised over \$2,500.00 for the John Braheny Scholarship fund via our silent auction. Again, thanks for your support and attendance.

Moving into 2018, I'd suggest everyone to "step up" their involvement in copyright law and policy, especially in light of the current unpredictable political landscape. To get you up to speed on what's transpired since we last met, I submit to you the following:

As you may, or may not, know, over the holidays the U.S. Second Circuit Court of Appeals decided that the consent decrees that BMI and ASCAP are subject to, DOES allow for fractionalized licensing of a musical composition; thus, reversing the U.S. Department of Justice's ("DOJ") stance that the consent decrees called for full-works licenses (i.e., that licensees of music only needed a license from one of the songwriters of a musical composition, even if that songwriter only had a 1% ownership interest in such musical composition). However, although the Second Circuit decided in favor of songwriters and publishers, this matter is not over due to the DOJ's ability to either amend the consent decrees, sue under the Sherman Act in a separate proceeding, or appeal the Second Circuit ruling to the Supreme Court.

Also, House Judiciary Committee Chairman and copyright friend, Bob Goodlatte's term as Chairman ends with the conclusion of the current 115th Congressional session. The Committee oversees and has jurisdiction over copyright law and policy and its worth furthering the good work Goodlatte has done for the copyright community. Even more reason to "step up" involvement in copyright law and policy to ensure a seat at the table in this unpredictable political landscape.

Moreover, at the close of 2017, Representatives Doug Collins and Hakeem Jeffries (with 6 additional co-sponsors from both parties) introduced the Music Modernization Act which deals solely with musical compositions and not sound recording issues. This legislation would: (1) create the Mechanical Licensing Collective which would administer blanket licenses for interactive streaming of digital downloads of musical compositions; (2) establish a "willing buyer/willing seller" measure for establishing rates under Section 115; (3) assign a judge to hear rate setting disputes under the BMI and ASCAP consent decrees; and (4) repeal of section 114(i), which prohibits rate court judges from taking into account sound recording royalty rates as a benchmark for setting performance royalty rates.

Finally, other copyright legislation introduced in 2017 is the Copyright Alternative in Small-Claim Enforcement Act, which would establish a voluntary tribunal within the Copyright Office to hear copyright claims under \$30,000.00 in total damages. The idea behind the Act is to allow copyright owners an easy way to bring their copyright infringement claims to a tribunal, since they may not be able to file suit in federal court due to heavy costs and the inability to find legal representation.

Stay tuned and active on copyright laws and policy in the year ahead. And, if you'd like more information about what's going on in the world of copyright, please attend The Copyright Society of the USA's ("CSUSA") January 25th event when the CSUSA welcomes the United States (Acting) Register of Copyrights, Karyn Temple Claggett. More info here: <http://www.csusa.org/>

Best,

J. Charley Londoño, Esq.
President, The California Copyright Conference (2017-18)

What Are Neighbouring Rights, and Why Should Creators Care?

by Ann Tausis

In the world of royalty collections, neighbouring rights are an important part of maximizing revenue for a creator. As income sources in the music industry shift in some areas and decline in others, there has been increasing focus on new income streams. That's where neighbouring rights comes in. But what exactly are they and, more importantly, who is entitled to this income?

What is it and who gets paid?

Neighbouring rights are a form of copyright linked to commercially released recordings. When a record is played on radio, TV or performed in public (for instance in bars, restaurants and shops) a royalty, or remuneration as it is called in the neighbouring rights world, is due both to the owner of the master recording (typically a record label) and the performing artist. Performing artists includes singers, instrumentalists and, if they play on the track, studio producers.

What's the legal structure behind neighbouring rights?

The Rome Convention was the first legislation to deal with neighbouring rights. It was signed in 1961 and has been implemented at different times in different countries. There is also the 1996 WIPO Performance And Phonograms Treaty (WPPT), which deals with digital transmission.

There is an important distinction between the two, because although the United States never signed the Rome Convention, it did sign the WPPT. This means that there is no neighbouring rights income generated in the US when music is played in restaurants, bars, and shops. However, when digital radio stations such as Pandora and SiriusXM play music, income is generated for artists and labels.

This system in the United States is currently under review by the US Copyright Office, who have suggested that a public performance right for sound recordings should be established. This would be a very significant step forward, as there are countries that signed the Rome Convention that only pay neighbouring rights remuneration based on reciprocity; meaning "we pay your performers if you pay ours". There are currently a lot of countries who do not pay neighbouring rights income to US performers as the US does not have a public performance right in place for sound recordings.

How is this income collected?

In order to streamline the process, the rights holder needs to provide the collection societies with detailed information about participating musicians on a recording, including which instruments each person played.

This is where Kobalt comes in. Through extensive research and a thorough understanding of each individual client's repertoire and recording circumstances, Kobalt Neighbouring Rights ensures that all eligible contributions for each client are uniquely tailored to each society's local distribution policy, which can vary enormously from territory to territory.

The societies then calculate what remuneration is due to each performer based on the amount of airplay that has been reported to them by the broadcasters and others who play recorded music in public.

How these royalties are calculated varies from country to country, and it is important to understand these differences in order to maximize income. One important thing that creators can do to ensure they get the most out of their music is to provide Kobalt (and by extension, the collection societies) all of the correct information regarding the tracks that the artist participates on.

How do creators know what's eligible for neighbouring rights collections?

The criteria for payment is different throughout the world, which can cause confusion when handling different markets. Some countries pay based on nationality, others on where the record label is based, and others pay based on where the recording of the particular track took place. That means that one track might not qualify for neighbouring rights in every territory around the world; that's what Kobalt is here to help with and decipher for creators.

How is the income split?

Generally speaking, 50% is allocated to the rights holder and 50% to the performer. The performer's share is then split between a featured artist share and a non-featured artist share. Each of these shares are further split based on the particular local rules applied by each of the collection societies.

Exactly how much money is there in neighbouring rights?

According to the latest figures from IFPI, revenue generated through the use of recorded music by broadcasters and public venues increased 4.4% to US\$2.1 billion, and remains one of the most consistent growing revenue sources. This stream now accounts for 14% of the industry's overall global revenue, up from 10% in 2011. In 2015 alone, Soundexchange paid a record \$803 million (up 4% from \$773.4 million the prior year).

Even though the world of Neighbouring Rights can be confusing, the Kobalt Neighbouring Rights team makes it simple. Creators make more with Kobalt's Neighbouring Rights service, thanks to our expert team, relationships with international societies, and technology that increases efficiency and transparency. As an alternative source of music income, neighbouring rights can be invaluable for musicians who have some level of international success.

"Reprinted with permission from Kobalt Music Kobalt Music is an independent music services company, built for artists, songwriters, publishers and labels as an alternative to the traditional music business model."

Panelists:

Wendy Dio / President and Manager, Niji Entertainment Group; Executor, Estate of Ronnie James Dio

In addition to her experience in personal management, Wendy has been involved in the production and creative design of album covers, music videos, concert videos and stage sets. She has received awards from both Performance and "Pollstar" magazines for stage set design and concert video production, not to mention numerous Gold and Platinum album awards and executive producer credits. In 2010, Wendy started her own record label, Niji Entertainment Group, Inc. and to date has released fourteen albums, two of which made the Billboard charts. She is President and Co-Founder of the Ronnie James Dio Stand Up and Shout Cancer Fund which she founded in 2010. She received a Grammy in 2014 for Executive Producer in the category Best Metal Performance.

Frankie Banali / Manager and Drummer, "Quiet Riot"

Banali is an American rock drummer, best known for his work with multi-platinum heavy metal band Quiet Riot (with mega hits such as "Metal Health," "Cum On Feel The Noize," etc.) and is the only member remaining from the band's classic lineup. He has been Quiet Riot's manager since 1994.

Mikeal Maglieri / Owner; Rainbow Bar & Grill and "The Whisky A Go Go"

Mikeal owns and runs the famous "The Whisky A Go-Go." In the 1980s, the Whisky helped drive the nascent metal movement that propelled bands including Guns N' Roses and Motley Crue. Mikeal's father opened the Whisky, where Mikeal worked at the Whisky, continues to own and run the club. An anchor on the Sunset Strip in Los Angeles since Mikeal's father, Mario, opened the Whisky in 1964, the Whisky has played host to rock 'n roll's most important bands, from the Doors, Janis Joplin, and Led Zeppelin to today's up and coming new artists.

Jack Russell / Jack Russell's Great White

Russell is an American rock vocalist and founding member of the American multi-platinum hard rock band Great White. Jack now tours under the name "Jack Russell's Great White," with its debut album, "He Saw it Comin'", released on January 27, 2017 via Frontiers Music Srl.

Moderator:

Sabrina Ment, Esq.; Attorney at LaPolt Law, P.C.

Sabrina is an attorney at LaPolt Law, P.C., where she negotiates and drafts a variety of agreements related to music, film and television, as well as other agreements in connection with IP and business related matters. Sabrina not only is a strong advocate for her clients but also aids clients to develop and protect their brands through trademark and copyright management. Sabrina has lectured at various entertainment industry conferences and seminars, including at the National Association of Record Industry Professionals (NARIP), Musician's Institute, and annually at the Cutting Edge Music Business Conference.

Additionally, Sabrina assists **Dina LaPolt, Esq.** as a co-instructor for the "Legal and Practical Aspects of the Music Business" class at UCLA Extension, focusing her lectures on everything from trademark issues in relation to the music business to the California Talent Agencies Act.

We created a special CCC playlist "The CCC Presents: Welcome To The Jungle" supporting this month's panel. Please access the playlist by searching Spotify for "The CCC Presents: Welcome To The Jungle"! Happy listening!

Great White "Once Bitten Twice Shy"
Ratt "Round and Round"
Cinderella "Shake Me"
L.A.Guns "Electric Gypsy"
Mötley Crüe "Looks That Kill"
Steelheart "I'll Never Let You Go"
Kix "Cold Shower"
Warrant "Cherry Pie"
Twisted Sister "We're Not Gonna Take It"
Tesla "Modern Day Cowboy"
Vinie Vincent Inva "Boyz Are Gonna Rock"
Jack Russell's Great White "He Saw It Comin' "
Keel "The Right To Rock"

Whitesnake "Here I Go Again"
Y&T "Summertime Girls"
Dokken "Into The Fire"
Guns'N'Roses "Paradise City"
Hanoi Rocks "Boulevard of Broken Dreams"
Poison "Talk Dirty To Me"
Slaughter "Up All Night"
Fatser Pussycat "Bathroom Wall"
Van Halen "Runnin' With The Devil"
Skid Row "Youth Gone Wild"
Quiet Riot "Metal Health"
Love/Hate "Blackout In The Red Room"

SAVE THE DATE:

Tuesday, February 13, 2018:

VIDEO GAME\$ - Level Up Your Synchronization Income

Join us at the SPORTSMEN'S LODGE EVENTS CENTER
12833 Ventura Blvd, Studio City, CA 91604 (Coldwater Canyon & Ventura Blvd)

Please visit our website, theccc.org, for more information!

February 13, 2018 @ 6:15 PM
PM Dinner



Check-In 6:30 Cocktails 7:00