



# ROYALTIES FOR NIGERIAN ARTISTS UNDER THE US MUSIC MODERNIZATION ACT

Commercial Intellectual Property Newsletter

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The US Mechanical License Commission (MLC) has clarified that Nigerian artists are entitled to royalties for their music, which is streamed through music streaming and download platforms in the US.

This information follows the recent developments in copyright law in the US collectively aimed at modernising copyright practices in the US and protecting the best interest of artists whose music is played in the US.

The US had in 2018 enacted the Orrin G. Hatch-Bob Goodlatte Music Modernization Act (Music Modernization Act) meant to reflect modern consumer preferences and technological developments in the music marketplace. The Act, amongst other things, recognised the prevalent use of music streaming and download platforms for the consumption of music and provided for setting up a first-of-its-kind Mechanical License Collective (MLC) for collecting and managing streaming royalties for music and musical recordings.

Under the Act, the MLC is to issue a blanket digital mechanical license to streaming platforms in the US, and such a license would cover all artists in the MLC's database. The license would empower streaming platforms to carry out activities related to making permanent downloads, limited downloads, and interactive streams of musical works covered under the license. The MLC is to collect royalties for the music covered under the license, which would be remitted to artists covered by the license depending on their percentage streams.

Following the Act, on July 8, 2019, the US Copyright Office named Mechanical Licensing Collective, Inc. as the designated Mechanical Licensing Collective (MLC) responsible for issuing blanket licenses and for managing royalties. At the time, the MLC is building a publicly accessible musical works database and a portal that creators and music publishers can use to submit and maintain their musical works data. These tools are meant to help ensure that creators and music publishers are appropriately paid, and artists, creators, and producers who wish to have their music within the MLC's database are invited to apply to have their music included in the database.

Following this clarification, Nigerian artistes who intend to have their music streamed in the US are invited to apply to the MLC to have their music included in the MLC's database and captured in the MLC's mechanical license.

The MLC will begin to issue and administer blanket mechanical licenses to eligible streaming and download services (digital service providers or DSPs) in the United States starting January 2021. The MLC will then collect the royalties due under those licenses from the DSPs and pay songwriters, composers, lyricists, and music publishers.

For enquiries on registration with the MLC, please contact:



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