
ADMINISTRATIVE DEVELOPMENTS

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U.S. Copyright Office Issues a Final Rule Related to “Smaller Claims” Proceedings before the Copyright Claims Board. The Copyright Office is adopting a final rule amending the procedures for “smaller claims” proceedings before the Copyright Claims Board. In response to public comments, this final rule modifies a rule published on May 17, 2022.

The final rule sets forth regulations governing smaller claims, which are claims seeking damages of \$5,000 or less. Relative to standard CCB proceedings, smaller claims involve more limited discovery, optional written submissions, and informal conferences that call for discussion of the evidence and issues presented. The amendments clarify that, before service of the initial notice, a claimant may elect to change from a smaller claims proceeding to a standard CCB proceeding or vice versa. The amendments also address the process for resolving potential conflicts between a claimant who selects the smaller claims process, and a respondent seeking to use the standard proceeding. Finally, the amendments clarify the rules governing submission of evidence, including actions the presiding Copyright Claims Officer can take if a party violates these rules.

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U.S. Copyright Office Announces Instructions for Audit Notices Under the Music Modernization Act. Today, the U.S. Copyright Office announces a new webpage devoted to audit notices under the Music Modernization Act (MMA). The new webpage provides instructions on how to submit MMA audit notices to the Office and will host copies of audit notices received by the Office.

Under the MMA, the mechanical licensing collective (MLC) may periodically audit digital music providers (DMPs) operating under the section 115 blanket license to verify the accuracy of royalty payments made by DMPs to the MLC. Likewise, musical work copyright owners may periodically audit the MLC to verify the accuracy of royalty payments made by the MLC to copyright owners. To commence an audit, a notice of intent to conduct an audit must be filed with the Copyright Office and delivered to the party(ies) being audited. The Office must then cause notice to be published in the *Federal Register* within forty-five days.

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U.S. Copyright Office Issues Notification of Inquiry Regarding Periodic Review of the Designations of the Mechanical Licensing Collective and Digital Licensee Coordinator. Pursuant to the Music Modernization Act, the U.S. Copyright Office has issued a notification of inquiry seeking public comments regarding its periodic review of the designations of the mechanical licensing collective and digital licensee coordinator. These entities carry out key statutory functions related to the administration of the blanket statutory mechanical license for the reproduction and distribution of non-dramatic musical works.

The Office is soliciting information from the currently designated mechanical licensing collective and digital licensee coordinator to help inform subsequent public comments. Once the public has submitted comments, the currently designated entities will be given an opportunity to respond.

Initial submissions from the existing designees must be received no later than 11:59 p.m. eastern time on April 1, 2024. Initial public comments must be received no later than 11:59 p.m. eastern time on May 29, 2024. Reply public comments must be received no later than 11:59 p.m. eastern time on June 28, 2024. Reply submissions from the existing designees must be received no later than 11:59 p.m. eastern time on July 29, 2024.