
By: Delegates Frank and Minnick

Introduced and read first time: February 8, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Copyright Royalties**

3 FOR the purpose of providing a certain exception to the requirement that a performing
4 rights society offer certain terms to certain similarly situated proprietors; clarifying
5 that Maryland courts do not have jurisdiction to determine reasonable fees for
6 certain contracts involving a performing rights society; and generally relating to
7 copyright royalties.

8 BY repealing and reenacting, with amendments,
9 Article - Commercial Law
10 Section 11-1402(c) and 11-1403(c)
11 Annotated Code of Maryland
12 (1990 Replacement Volume and 1995 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Commercial Law**

16 11-1402.

17 (c) (1) Subject to paragraph (2) of this subsection, the performing rights society
18 shall offer to the proprietor a 1-year contract.

19 (2) The performing rights society and the proprietor may agree to a contract
20 for other than 1 year.

21 (3) THE REQUIREMENTS OF THIS SUBSECTION DO NOT APPLY TO A
22 CONTRACT OFFERED TO A PROPRIETOR IN THIS STATE IF THE TERMS OF THE
23 CONTRACT WERE NEGOTIATED BETWEEN A PERFORMING RIGHTS SOCIETY AND A
24 BONA FIDE NATIONAL TRADE ASSOCIATION REPRESENTING SIMILARLY SITUATED
25 PROPRIETORS, OR DETERMINED BY A FEDERAL COURT TO BE APPLICABLE TO
26 SIMILARLY SITUATED PROPRIETORS.

27 11-1403.

28 (c) (1) A performing rights society or the agent or employee of a performing
29 rights society may not:

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1 [(1)] (I) Use or attempt to use an unfair or deceptive actor practice in
2 dealing or negotiating with a proprietor or the employee of a proprietor; or

3 [(2)] (II) Charge or collect a royalty which is unreasonable in
4 comparison to the royalties for similar licenses in the same area.

5 (2) NOTHING CONTAINED IN THIS SUBSECTION MAY BE CONSTRUED TO
6 GIVE A STATE COURT JURISDICTION UNDER § 11-1405 OF THIS SUBTITLE TO
7 DETERMINE REASONABLE FEES FOR A LICENSE TO PERFORM COPYRIGHTED
8 MUSICAL WORKS IN THE REPERTORY OF A PERFORMING RIGHTS SOCIETY THAT IS
9 SUBJECT TO THE JURISDICTION OF A FEDERAL COURT.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 1996.