Electronically Filed Docket: 21-CRB-0001-PR (2023-2027)

Filing Date: 01/10/2023 08:50:19 PM EST

## Before the UNITED STATES COPYRIGHT ROYALTY JUDGES LIBRARY OF CONGRESS Washington, D.C.

In the Matter of:

DETERMINATION OF ROYALTY RATES AND TERMS FOR MAKING AND DISTRIBUTING PHONORECORDS (PHONORECORDS IV) Docket No. 21-CRB-0001-PR (2023-2027)

MOTION TO REQUEST ISSUANCE OF AMENDMENT TO DETERMINATION OF ROYALTY RATES AND TERMS FOR MAKING AND DISTRIBUTING PHONORECORDS (PHONORECORDS IV) PURSUANT TO 17 U.S.C. § 803(C)(4)

Spotify USA Inc., Amazon.com Services LLC, Google LLC, Pandora Media, LLC, and Apple Inc. (collectively, the "Movants") jointly move to respectfully request that the Copyright Royalty Judges issue an amendment to their Determination of Royalty Rates and Terms for Making and Distributing Phonorecords (Phonorecords IV) ("Determination"), 87 F.R. 80448, to make the minor modifications detailed below. National Music Publishers' Association, Inc. and the Nashville Songwriters Association International consent to the relief requested. The requested amendments are proper because they correct technical errors, or modify terms (not rates) of royalty payments that might otherwise frustrate the proper implementation of the Determination. *See* 17 U.S.C. § 803(c)(4).

First, 37 C.F.R. section 385.3 currently provides that late fees should accrue from the date payment is due until payment is received by the Copyright Owner. The language thus does not acknowledge that the mechanical licensing collective has responsibility for collecting payment

1

under the blanket license for digital uses (though payment remains owed to Copyright Owners for non-blanket license uses). *See* 17 U.S.C. § 115(d)(4)(A)(i). The Movants therefore propose the following amendment (shown in bold) to the proposed 37 C.F.R. section 385.3:

A Licensee shall pay a late fee of 1.5% per month, or the highest lawful rate, whichever is lower, for any payment owed to a Copyright Owner and remaining unpaid after the due date established in 17 U.S.C. 115(c)(2)(I) or 17 U.S.C. 115(d)(4)(A)(i), as applicable and detailed in part 210 of this title. Late fees shall accrue from the due date until the Copyright Owner receives payment, except that where payment is due to the mechanical licensing collective under 17 U.S.C. 115(d)(4)(A)(i), late fees shall accrue from the due date until the mechanical licensing collective receives payment.

Second, the Determination omits capitalization from certain words in the headings of subparagraphs in 37 C.F.R. section 385.21(d) that were capitalized in the Proposed Regulations (eCRB Dkt. No. 27278). However, the products described in each of these headings correspond to a defined term in 37 C.F.R. section 385.2. As such, the Movants propose that the Judges revert to the capitalization proposed in the Proposed Regulations (as shown below in bold) in order to make clear that 37 C.F.R. section 385.21(d) concerns the products defined in 37 C.F.R. section 385.2: "Standalone Non-Portable Subscription Offerings—Streaming Only"; "Standalone Non-Portable Subscription Offerings."

## Conclusion

For the foregoing reasons, the Movants respectfully request that the Judges issue the above amendments to the Determination.

DATED: January 10, 2023

By: /s/ Joseph R. Wetzel

Joseph R. Wetzel (Cal. Bar No. 238008)
Brittany N. Lovejoy (Cal. Bar No. 286813)
Andrew M. Gass (Cal. Bar No. 259694)
LATHAM & WATKINS LLP
505 Montgomery Street
San Francisco, California 94111
Tel.: (415) 391-0600
joe.wetzel@lw.com
brittany.lovejoy@lw.com
andrew.gass@lw.com

- and-

Allison L. Stillman (N.Y. Bar No. 4451381) LATHAM & WATKINS LLP 1271 Avenue of the Americas New York, NY 10020 Tel.: (212) 906-1200 alli.stillman@lw.com

- and -

Sarang (Sy) Damle (D.C. Bar No. 1619619) LATHAM & WATKINS LLP 555 Eleventh Street, NW, Suite 1000 Washington, DC 20004 Tel.: (202) 637-2200 sy.damle@lw.com

Counsel for Spotify USA Inc.

By: /s/ Joshua D. Branson
Joshua D. Branson (D.C. Bar No. 981623)
Scott H. Angstreich (D.C. Bar No. 471085)
Aaron M. Panner (D.C. Bar No. 453608)
Leslie V. Pope (D. C. Bar No. 1014920)
KELLOGG, HANSEN, TODD, FIGEL, &
FREDERICK, P.L.L.C.
1615 M Street, N.W., Suite 400
Washington, D.C. 20036
Tel.: (202) 326-7900
jbranson@kellogghansen.com
sangstreich@kellogghansen.com
apanner@kellogghansen.com
lpope@kellogghansen.com

Counsel for Amazon.com Services LLC

By: /s/ Gary R. Greenstein

Gary R. Greenstein (DC Bar No. 455549) WILSON SONSINI GOODRICH & ROSATI, P.C. 1700 K Street, N.W., 5th Floor Washington, DC 20006

Tel. (202) 973-8849 Fax: (202) 973-8899 ggreenstein@wsgr.com

-and-

Ryan Benyamin (Cal. Bar No. 322594) Victor H. Jih (Cal. Bar No. 186515) Lisa D. Zang (Cal. Bar No. 294493) Rebecca E. Davis (Cal. Bar No. 322765) WILSON SONSINI GOODRICH & ROSATI, P.C.

633 West Fifth Street, Suite 1550 Los Angeles, CA 90071-2027

Tel.: (323) 210-2900 Fax: (866) 974-7329 rbenyamin@wsgr.com vjih@wsgr.com lzang@wsgr.com becca.davis@wsgr.com

Counsel for Google LLC

By: /s/ Benjamin E. Marks
Benjamin E. Marks (N.Y. Bar No. 2912921)
Todd Larson (N.Y. Bar No. 4358438)
WEIL, GOTSHAL & MANGES LLP

767 Fifth Avenue New York, NY 10153 Tel: (212) 310-8000

benjamin.marks@weil.com

Counsel for Pandora Media, LLC

By: /s/ Mary C. Mazzello

Mary C. Mazzello (N.Y. Bar No. 5022306)
Dale M. Cendali (N.Y. Bar No. 1969070)
Claudia Ray (N.Y. Bar No. 2576742)
KIRKLAND & ELLIS LLP
601 Lexington Avenue, 42nd Floor
New York, NY 10022

Tel. (212) 446-4800 Fax: (212) 446-4900 mary.mazzello@kirkland.com dale.cendali@kirkland.com claudia.ray@kirkland.com

Counsel for Apple Inc.

## **Proof of Delivery**

I hereby certify that on Tuesday, January 10, 2023, I provided a true and correct copy of the Joint Motion to Request Issuance of Amendment to Determination of Royalty and Terms for Making and Distributing Phonorecords (Phonorecords IV) Pursuant To 17 U.S.C. § 803(C)(4) to the following:

Joint Record Company Participants, represented by Steven R. Englund, served via E-Service at senglund@jenner.com

Warner Music Group Corp., represented by Steven R. Englund, served via E-Service at senglund@jenner.com

Copyright Owners, represented by Benjamin K Semel, served via E-Service at Bsemel@pryorcashman.com

Zisk, Brian, represented by Brian Zisk, served via E-Service at brianzisk@gmail.com

Sony Music Entertainment, represented by Steven R. Englund, served via E-Service at senglund@jenner.com

Powell, David, represented by David Powell, served via E-Service at davidpowell008@yahoo.com

UMG Recordings, Inc., represented by Steven R. Englund, served via E-Service at senglund@jenner.com

Johnson, George, represented by George D Johnson, served via E-Service at george@georgejohnson.com

Apple Inc., represented by Mary C Mazzello, served via E-Service at mary.mazzello@kirkland.com

Amazon.com Services LLC, represented by Joshua D Branson, served via E-Service at jbranson@kellogghansen.com

Google LLC, represented by Gary R Greenstein, served via E-Service at ggreenstein@wsgr.com

Pandora Media, LLC, represented by Benjamin E. Marks, served via E-Service at benjamin.marks@weil.com

Signed: /s/ Joseph Wetzel