

UNITED STATES COPYRIGHT ROYALTY JUDGES

In the Matter of

Distribution of the 2008
Satellite Royalty Funds

Docket No. 2010-7 CRB SD 2008

ORDER GRANTING PHASE I CLAIMANTS' MOTION
FOR PARTIAL DISTRIBUTION OF 2008 SATELLITE ROYALTY FUNDS

On October 29, 2010, the Copyright Royalty Judges (“Judges”) published in the **Federal Register** a Notice¹ soliciting comments on a Motion of Phase I Claimants for Partial Distribution of the 2008 satellite royalty funds (“Motion”) under section 801(b)(3)(C) of the Copyright Act, dated October 6, 2010, seeking a partial distribution of 50 percent of those funds.² In particular, the notice solicited comments on whether there are reasonable objections to the requested distribution. The notice also solicited comments on whether there are any Phase I or Phase II controversies with respect to the remaining funds if the motion were granted.

¹ 75 FR 66799. The Phase I Claimants are the Program Suppliers, Joint Sports Claimants, Broadcaster Claimants Group, Music Claimants (American Society of Composers, Authors and Publishers, Broadcast Music, Inc., and SESAC, Inc.), and Devotional Claimants.

² In support of their Motion, the Phase I Claimants assert that all of the preconditions of section 801(b)(3)(C) of the Copyright Act have been or will be satisfied prior to distribution.

That section provides that:

- [T]he [J]udges, at any time after the filing of claims under section 111...may, upon motion of one or more of the claimants and after publication in the Federal Register of a request for responses to the motion from interested claimants, make a partial distribution of such fees, if, based upon all responses received during the 30-day period beginning on the date of such publication, the [Judges] conclude that no claimant entitled to receive such fees has stated a reasonable objection to the partial distribution, and all such claimants—
- (i) agree to the partial distribution;
 - (ii) sign an agreement obligating them to return any excess amounts to the extent necessary to comply with the final determination on the distribution of the fees made under subparagraph (B);
 - (iii) file the agreement with the Copyright Royalty Judges; and
 - (iv) agree that such funds are available for distribution.

17 U.S.C. § 801(b)(3)(C).

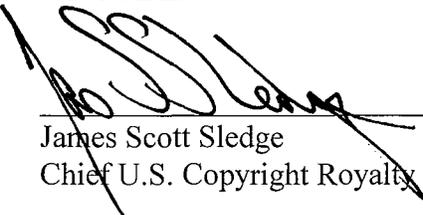
In response to the notice the Judges received a joint comment from the Phase I Claimants, and individual comments from Broadcaster Claimants Group, Devotional Claimants, Joint Sports Claimants, Music Claimants, Program Suppliers, Independent Producers Group (“IPG”), and James Cannings. No commenter stated a reasonable objection to the proposed distribution, although controversies exist with respect to the 2008 satellite royalties.³

Therefore, the Motion is **GRANTED**.

Wherefore, **IT IS ORDERED** that 50% of 2008 satellite royalties shall be distributed to a designated representative of the Office of the Commissioner of Baseball who will serve as the common agent for the distribution of royalties among the Phase I claimants, as set forth in the Motion.

The Copyright Office shall make such a distribution **PROVIDED THAT** each of the parties receiving a share of these funds provides to the Copyright Office a signed agreement prepared by the Copyright Royalty Board stating that any overpayment that results from the distribution of these funds shall be repaid to the Copyright Office with interest according to the amount that would have accrued if the principal had remained in the fund. In addition, all pertinent information to effect the transfer of funds must be provided to the Licensing Division of the Copyright Office no later than February 3, 2011. The distribution shall take place on or after February 10, 2011.

SO ORDERED.



James Scott Sledge
Chief U.S. Copyright Royalty Judge

DATED: January 11, 2011

³ Although IPG does not object to the proposed partial distribution, it does challenge the subsequent distribution of such funds to parties within such Phase I categories “until there is either an agreement in place for such distribution between the Phase II claimants, or unless only such funds as are determined to be not in controversy are distributed.” IPG made a similar challenge in the past and the Judges rejected it on the ground that such a restriction on distribution of Phase I funds is contrary to the policy of the Copyright Act to promote settlements because, as a practical matter, it would prevent the distribution of any funds to claimants. We see no reason to revisit our earlier decision in this matter. *See Order Granting Phase I Claimants’ Motion for Partial Distribution of 2004 and 2005 Cable Royalty Funds*, Docket No. 2007-3 CRB CD 2004-2005 (Apr. 10, 2008).