



**Mechanical-Copyright Protection Society**

**and**

**Performing Right Society**

**Rules governing Disputes and Duplicate Claims**

**[2015]**

*PRS for Music is the trading name of Mechanical-Copyright Protection Society Limited and Performing Right Society Limited*

## **CONTENTS:**

### **Rule**

- 1. Introduction**
- 2. Definitions**
- 3. Duplicate Claims**
- 4. Interim Disputed Share**
- 5. Interim Suspense**
- 6. Supporting Documentation**
- 7. Affiliated Society Claims**
- 8. Placing Musical Work Directly into Dispute**
- 9. Court Proceedings**
- 10. Licensing of Musical Works in Dispute by MCPS**
- 11. Licensing of Musical Works in Dispute by PRS**
- 12. Holding Royalties, Fees and Other Monies (“the Disputes Procedure”)**
- 13. Formula for Part Payment**
- 14. General**
- 15. Resolution of the Dispute**
- 16. Complaints**

## 1. Introduction

1.1 This document sets out the rules and procedures that *PRS for Music* follow when the control of copyright within a Musical Work, or entitlement to Royalties in that Work, is subject to two or more conflicting Claims (“the Rules”).

Notes in this document do not form part of the Rules but are for explanatory purposes only.

1.2 The Rules set out how *PRS for Music* will license disputed Works and deal with the monies collected. The Rules only outline procedures that *PRS for Music* is required to follow. *PRS for Music* will maintain a policy of neutrality in relation to the parties’ respective Claims and will not involve itself in the process of resolving Conflicts between the parties. However, the Rules were created to encourage dispute resolution.

1.3 The Rules will be applied only in those cases where the control of a Musical Work or the entitlement to Royalties, fees or other monies, is claimed by two or more parties. The Rules will NOT be applied if the claim concerns an allegation of unauthorised reproduction or adaptation of the whole or substantial part of a Musical Work. Such cases will be covered by the MCPS and PRS Rules governing Samples and the MCPS and PRS Rules governing Infringement Claims.

1.4 These Rules take effect from 16 April 2015 and apply to (and only to) Duplicate Claims arising on or after that date. [The Rules governing Disputes and Duplicate Claims 2012](#) continue to apply to Duplicate Claims arising on or before 15 April 2015.

1.5 The rules and procedures set out in this document:

1.5.1 apply to every Duplicate Claim in which all the Claimants are Members of MCPS, PRS or an Affiliated Society; and

1.5.2 are subject to the order of any court or arbitrator which has jurisdiction over the matters in question.

1.6 Any Duplicate Claim received from a claimant who is not a Member of MCPS, PRS or an Affiliated Society will not be dealt with under this policy. A non-Member claimant is required to issue private legal proceedings before *PRS for Music* will suspend distribution of Royalties.

## 2. Definitions

In these ‘Rules’:

2.1 ‘Affiliated Society’ means any performing right and/or mechanical right society outside of the UK to which *PRS for Music* is affiliated.

2.2 ‘Articles of Association’ means the Articles of Association of the PRS from time to time.

2.3 ‘Author’ means, in relation to any Musical Work, the composer, writer and/or arranger, of that Work. The terms joint Author, “Authorship” and “joint Authorship” should be construed accordingly.

2.4 ‘Author Share Claim’ means, in relation to a Musical Work, a Claim where there is agreement between the Claimants about the Authorship of the Musical Work but disagreement about the Share attributable to each Author.

2.5 ‘Author Share Dispute’ means a Dispute based on an Author Share Claim.

2.6 ‘Authorship Claim’ means, in relation to a Musical Work, a Claim based on a disagreement over the Authorship of that Work.

2.7 ‘Authorship Dispute’ means a Dispute based on an Authorship Claim.

2.8 ‘Claim’ means, in relation to a Musical Work, any claim in writing in which a person claims to be the Author of or to control a Musical Work or catalogue of Musical Works or to be entitled to any Share of the Musical Work or catalogue. The term ‘Claimant’ refers to any person making such a Claim.

2.9 ‘Conflict’ means, in relation to a Musical Work, any conflict between two or more parties over the Authorship of that Work or respective entitlement to control a Musical Work or catalogue of Musical Works, or to receive a Share in respect thereof.

2.10 ‘CPR’ means the Civil Procedure Rules which are in force in England and Wales from time to time.

2.11 ‘Direction Letter’ means written confirmation of an assignment or grant of exclusive licence in respect of a Musical Work or catalogue of Musical Works, signed by the assignor or licensor and addressed to *PRS for Music* and, for the purpose of these Rules, whether described as a Direction Letter, Letter of Direction or by any other name.

2.12 ‘Dispute’ means any dispute over a Musical Work or Share to which:

2.12.1 the Duplicate Claims Procedure has been exhausted under Rule 3;

or

2.12.2 *PRS for Music*, either at its own discretion or at the written request of all Claimants, has elected, pursuant to Rule 8, to treat under its Disputes Procedure.

2.13 ‘Disputes Procedure’ means the procedure described in Rule 12.

2.14 ‘Duplicate Claim’ means, in respect of a Musical Work, any Claim in which the Authorship or control of such Work or entitlement to a Share relating thereto is claimed by two or more persons, whether or not each Claimant is aware of the existence of the other’s Claim. It shall not include a Claim by a publisher that he has published a previously unpublished work unless the Author disputes the fact of such publication.

2.15 ‘Duplicate Claims Procedure’ means *PRS for Music’s* procedure for dealing with Duplicate Claims set out in Rule 3 hereof.

2.16 ‘in writing’ means written and/or printed correspondence, and includes any mode of representing or reproducing words in readable form.

2.17 ‘Interim Disputed Share’ means the Share, calculated in accordance with Rule 4, which is held in Interim Suspense under Rule 3.2 or 3.5.

2.18 ‘Interim Suspense’ means the suspense status described in Rule 5.

2.19 ‘Legal Claim’ means a legal claim issued in a UK court, in accordance with Part 7 of the CPR.

2.20 ‘Member’ means:

2.20.1 in relation to MCPS, any person, firm or corporation being for the time being a party subject to the

Membership Agreement either directly or through an associated firm or company;

2.20.2 in relation to PRS any person, firm or corporation that has been admitted as and is for the time being a member of the Society pursuant to the Articles of Association.

2.21 'Membership Agreement' means the agreement between MCPS and its Members.

2.22 'Musical Work' means any copyright musical work, including any lyrics or associated words, which is for the time being in the repertoire of *PRS for Music*. Where the Duplicate Claim and/or Dispute relates to a Musical Work embodied in a Library Sound Recording, MCPS will also treat such recording as if it were subject to these Rules.

2.23 'Ownership Claim' means a Claim in which the Claimants agree on the Authorship of a Musical Work and the Share attributable to each Author but disagree as to who currently owns or controls any Share in the Work; and includes a Reversionary Rights Claim (see Rule 2.29 below).

2.24 'Ownership Dispute' means a Dispute based on an Ownership Claim.

2.25 "Person Interested" in a work means and includes any member whom the PRS Board and/or the MCPS Board, as the case may be, determines to be the composer, author or publisher of a Musical Work, or proprietor of any of the rights in such work, or any person whom the Board determines to have interests in the work; and any Affiliated Society".

2.26 "*PRS for Music*" means PRS and/or MCPS as the context so requires.

2.27 "PRS Rules" means the PRS Rules governing the allocation and distribution of Royalties from time to time.

2.28 "Reversionary Rights Claim" means, in relation to a Musical Work, a Claim in respect of any reversionary interest arising on the expiry of 25 years from the death of the Author by virtue of Schedule 1, paragraph 27(1) of the Copyright, Designs and Patents Act 1988; and a "Reversionary Rights Dispute" means a Dispute based on a "Reversionary Rights Claim".

2.29 'Royalties' means and includes any royalty or other fee payable by the Society to a Member in respect of any Musical Work in which that Member claims to be interested.

2.30 'Share' means such proportion of the Royalties as may be allocated from time to time by *PRS for Music* to a person interested in a Musical Work.

2.31 'Statutory Declaration' means a declaration made in accordance with and pursuant to the provisions of the Statutory Declarations Act 1835 or, if made outside of the UK, a declaration having equivalent effect in the jurisdiction concerned.

2.32 'Supporting Documentation' means any documentation *PRS for Music* require a Claimant to provide under Rule 6.

2.33 Words importing:

2.33.1 the singular number include the plural number and vice versa;

2.33.2 the masculine gender includes the feminine and neuter.

2.34 All other words and expressions shall where the context so admits have the same meaning as under the MCPS Membership Agreement or the PRS Articles of Association.

**NOTE on Rule 2.31:** A statutory declaration is equivalent to a declaration made on oath in a court of law. It is punishable by law for a declarant to make a statement believing it to be untrue.

### 3. Duplicate Claims

3.1 As soon as *PRS for Music* receive a Claim which gives rise to a Duplicate Claim (the 'New Claim'), they will notify the Claimant (hereinafter the 'New Claimant') in writing that the New Claim will not be processed unless Supporting Documentation is supplied within 60 days of the notification. Any party confirming to *PRS for Music* that it maintains its Claim must notify *PRS for Music* immediately if it thereafter alters its position.

3.2 If the New Claimant supplies Supporting Documentation, *PRS for Music* will notify the existing Claimant(s) (hereinafter 'the Original Claimant') in writing and request that the Claimant supply *PRS for Music* with Supporting Documentation within 60 days of the date of the notification (the 'Prescribed Period'). On receipt of the New Claimant's Supporting Documentation, the New Claimant's name will be added to the list of owners of the Musical Work on the *PRS for Music* database and all Royalties arising in connection with the Interim Disputed Share of the Musical Work will be held in Interim Suspense.

3.3 If the Original Claimant fails to supply Supporting Documentation within the prescribed period, *PRS for Music* will amend their registration in favour of the New Claimant as soon as reasonably practicable after the expiry of that period. The Royalties held in Interim Suspense under Rule 3.2 and in respect of which the New Claimant has provided Supporting Documentation will be distributed to the New Claimant. *PRS for Music* will make adjustments to distributions of Royalties made prior to such amendment where expressly requested to do so by the New Claimant but only if and to the extent that the implementation of such request is consistent with its rules and procedures from time to time, and only for the period claimed and to which the Supporting Documentation relates.

3.4 If the Original Claimant supplies Supporting Documentation within the Prescribed Period *PRS for Music* will make each party's Supporting Documentation available to view by the other and will treat the Duplicate Claim as a Dispute and subject to the Disputes Procedure.

3.5 Where a Duplicate Claim to the same previously unregistered Share are received within 30 days of the other, the Interim Disputed Share will be held in Interim Suspense. Both Claimants will be treated as Original Claimants and required to provide Supporting Documentation within 60 days of receipt of notification from *PRS for Music* of the second Claim.

3.5.1 If only one Claimant provides Supporting Documentation ("the first Claimant") within the Prescribed Period *PRS for Music* will not make available to view that Documentation to the other Original Claimant and will register the Interim Disputed Share in favour of the first Claimant and release any Royalties for the time being in Interim Suspense and attributable to such Share released to that Claimant.

3.5.2 If both Claimants provide Supporting Documentation within the Prescribed Period, *PRS for Music* will:

3.5.2.1 treat the Share in issue as a Dispute and subject to the Disputes Procedure; and

3.5.2.2 make available to view copies of each Claimant's Supporting Documentation to the other.

which have already been notified as having been written by another party.

3.5.3 If neither Claimant provides Supporting Documentation within the Prescribed Period, the Interim Disputed Share will remain in Interim Suspense.

3.6 An Author Share Claim will be treated as an Author Share Dispute upon receipt of the Claim and Supporting Documentation giving rise to the Author Share Claim. For the avoidance of doubt Rules 3.1, 3.2, 3.3, 3.4 and 3.5 shall not apply where an Author Share Claim is treated in this way, save that PRS for Music will make available to view copies of the Supporting Documentation to the other party.

3.7 A Duplicate Claim may be converted into a Dispute at any time at the written request of all Claimants who are party to the Conflict.

3.8 Failure by a Claimant to supply Supporting Documentation within the Prescribed Period does not preclude that Claimant from later submitting Supporting Documentation. PRS for Music will not be liable for a suspense or distribution of royalties in the meantime as a result of the result of the initial failure to supply Supporting Documentation.

3.9 As soon as a Duplicate Claim becomes a Dispute, PRS for Music will notify all the relevant Claimants.

3.10 Where a Conflict relates to a catalogue of Musical Works, PRS for Music reserve the right to deal with such Conflict by notifying the Original Claimant of the new Claim and requesting from him written confirmation of his intention to maintain the Original Claim. If the Original Claimant fails to provide written confirmation within 21 days of such request, PRS for Music will amend the Original Claimant's interest in favour of the New Claimant. Should the Original Claimant provide confirmation of his intention to maintain the original Claim, the Conflict will be dealt with by applying the principles of the Duplicate Claims procedure outlined above but at agreement level, except that the Musical Works will only be placed in Interim Suspense where practical.

3.11 Authorship Claims will not be accepted if the New Claim is received more than six years after the Musical Work to which the claim relates was first registered with PRS for Music, unless a Legal Claim relating to the determination of the authorship of the Work has been issued.

3.12 Where a publisher submits a Claim for a Musical Work which was previously unpublished, PRS for Music will accept that Claim unless the Author disputes the fact.

3.13 The percentage share claimed by any one Claimant cannot be increased without Supporting Documentation to support that increase once the Musical Work is subject to a Duplicate Claim or Dispute.

**Note on Rule 3.11:** In order to deter mischievous claims of authorship or joint authorship after the work has been first notified to PRS for Music introduced Rule 3.11. The Rule is intended only to limit the period in which a member is entitled to require PRS for Music to place monies in dispute under these Rules without first having issued a Legal Claim. The restriction in the Rule in no way deprives the claimant of his right to be paid for exploitation of any copyright in the work of which it is later agreed or ordered by a court of competent jurisdiction that he is the author (or one of the authors) of the work.

The Legal Claim must be relevant to the question of authorship, e.g. a Claim for a declaration of authorship or joint authorship of the work and ownership of the copyright therein. A New Claimant can therefore dispute at any time the authorship of any works that he claims to have written but

## 4. Interim Disputed Share

4.1 The Interim Disputed Share is the Share which is to be placed into Interim Suspense under Rule 3.2 or 3.5 pending completion of the Duplicate Claims procedure.

4.1.1 For Ownership Claims, the Interim Disputed Share is the Share claimed by both parties.

4.1.2 For Authorship Claims, the Interim Disputed Share will be the Royalties payable in respect of the entire Musical Work unless an alternative is agreed in writing by all parties.

## 5. Interim Suspense

5.1 This Rule 5 sets out the manner in which Royalties are suspended during the Duplicate Claims Procedure.

5.2 Payment of the Interim Disputed Share will be suspended in the circumstances set out at Rules 3.2 or 3.5.

5.3 All parties will be entitled to Royalty accounting details in accordance with Rule 12.6.

5.4 Licensing of Musical Works the Royalties relating to which are held in Interim Suspense will be carried out in accordance with Rules 10 and 11.

5.5 Copyright ownership information will be provided to copyright users in accordance with Rule 14.4.

## 6. Supporting Documentation

6.1 Any Claimant wishing to pursue a Claim which is the subject of a Duplicate Claim must provide PRS for Music in writing:-

6.1.1 full details of the Musical Work(s);

6.1.2 names and addresses of the other parties involved, where known;

6.1.3 the Share claimed;

6.1.4 the documents stipulated in Rule 6.2.

6.1.5 if and when requested by the Society to do so, a copy or copies of any schedule of Musical Works referred to in the Supporting Documentation provided.

6.2 In addition to the information set out at 6.1 a Claimant must provide either:

6.2.1 in an Ownership Claim, one or more of the following documents relevant to the issue in dispute:

6.2.1.1 a signed contract between an Author and a publisher or Direction Letter referring to such contract;

6.2.1.2 a signed contract between a publisher and a publisher or Direction Letter referring to such contract;

6.2.1.3 in the circumstances described in 6.3 and 6.4 below a signed Statutory

Declaration from an Author or publisher.

In all cases the Statutory Declaration must include any other compelling information the Claimant believes to support the Claim.

- 6.2.2 in an Authorship Claim, either:
- 6.2.2.1 from the New Claimant, whether published or unpublished, a Statutory Declaration as to Authorship signed by the Author;
  - 6.2.2.2 from the Original Claimant, either:
    - (i) from an unpublished Author, a Statutory Declaration as to Authorship signed by the Author;
    - (ii) from a publisher, either a copy of an agreement between the publisher and their Author accompanied by a letter from the publisher stating that the agreement covers the disputed Musical Work and their assertion that their Author is the Author or joint Author of the Musical Work; or a Statutory Declaration as to Authorship and ownership of the Musical Work signed by the Author.

- 6.4 Where a Member denies that he entered into an agreement to provide a share of Royalties to another Claimant he must provide a Statutory Declaration to that effect.
- 6.4A By and on providing Supporting Documentation under Rule 6, the Claimant -
- 6.4A.1 warrants that
    - 6.4A.1.1 in relation to the Claim, the documents meet the requirements of Rule 6 in so far as those requirements relate to the Claim concerned;
    - 6.4A.1.2 where the Supporting Documentation relates to or contains information relating to a third party, he has obtained the consent of that third party to disclosure to the other Claimant; and
    - 6.4A.1.3 not to use or disclose the other party's Supporting Documentation for any purpose other than in connection with the Dispute or Conflict.

- 6.2.3 in an Author Share Claim, either:
- 6.2.3.1 where the Claimant is a published Author, no documents additional to those set out in Rule 6.1. will be required in which case the provisions of Rule 3.6 will apply;
  - 6.2.3.2 where the Claimant is an unpublished Author, a Statutory Declaration as to the Share claimed signed by the Author.
- 6.2.4 in cases of Duplicate Claims relying on breach of contract:
- 6.2.4.1 a copy of the contract which has allegedly been breached;
  - 6.2.4.2 the notice of termination of the contract; or where no notice has been served or is required to have been served under the contract, a Statutory Declaration that the termination took effect.
- 6.2.5 in a Claim of any description, any other document that *PRS for Music* may reasonably require.

- and hereby undertakes to *PRS for Music* and the other Claimant;
- 6.4A.2 undertakes to indemnify *PRS for Music* against any and all costs actions proceedings claims or demands against *PRS for Music* and all costs (including legal costs on an indemnity basis) damages or expenses which *PRS for Music* may incur as a result of the breach of any warranty and/or undertaking contained in clause 6.4A.1.
- 6.4B *PRS for Music* will presume that the documents meet the requirements in this Rule and accordingly do not undertake to review the documentation for compliance, unless specifically requested to do so by the other Claimant and/or on *PRS for Music*'s own initiative for audit purposes and/or ensuring the proper operation of the Rules.
- 6.5 *PRS for Music* reserve the right to reject any Supporting Documentation that does not appear to support the Claim. *PRS for Music* reserve the right to determine whether or not any documentation supplied constitutes Supporting Documentation. However, *PRS for Music* will not undertake to make an assessment of the substantive merits of a Claim on the basis of any Supporting Documentation supplied in accordance with these Rules.

6.3 Where a Claimant is unable to provide the required documentation because it has been lost or destroyed due to circumstances outside of the Claimant's control, they must provide a Statutory Declaration as to loss or destruction, and where the Document is declared to be lost, an undertaking to produce it forthwith to *PRS for Music* should it be found. If the Claim is made on the basis of an agreement in which the works are specifically identified, such as a single song agreement or purchase agreement, the Statutory Declaration must identify the date of such agreement, the term of the agreement, the parties to the agreement and the titles of any other works subject to the agreement. If the Claim is made on the basis of an agreement in which the work(s) would not have been identified, such as an exclusive songwriter agreement, the Statutory Declaration must identify the date of the agreement, the term of the agreement and the parties to the agreement.

**Notes on Supporting Documentation:**

1. *The purpose of supporting documentation is to support a claim to royalties from PRS for Music. It should provide a reasonable basis on which PRS for Music may suspend, release or continue making distributions, as applicable to the claim. It is not intended to enable PRS for Music to form a view as to the underlying legal merits of each party's claim against the other.*
2. *If a party fails to produce supporting documentation within the prescribed timeframe this only means that he loses the right to require PRS for Music to suspend royalties for the works concerned; and that, by the same token, the other party is entitled to require PRS for Music to release any disputed monies to it or to suspend them. However, the*

release or suspense of monies in those circumstances does not relieve PRS for Music of its overriding obligation to all the parties concerned to act neutrally in relation to the respective merits of their underlying dispute with each other. For this reason it would be unreasonable and inconsistent with the Rules for PRS for Music to treat a failure by a claimant to supply supporting documentation as tantamount to an admission of liability or other legal concession in favour of the counter-claimant.

3. *Foreign language documents: A Claimant may supply supporting documentation in a foreign language but PRS will not translate documents for either party to the dispute. We reserve the right to ask a Claimant who is intending to rely on the foreign language document for it to be translated into English, either at our discretion or at the request of the other Claimant See Rule 6.4A.*

4. *Statutory Declarations: PRS will accept*

- a Statutory Declaration made under the Statutory Declarations Act 1835 before a lawyer practising in a jurisdiction outside the UK, provided that the lawyer is authorised to administer oaths in that jurisdiction and that s/he provides appropriate written confirmation in writing to PRS/claimant that s/he is so authorised under local law law);

or

- a overseas equivalent to a UK Statutory Declaration, provided that the lawyer in question is authorised to administer oaths or declarations in the overseas jurisdiction and that he administers the declaration in accordance with relevant local legal formalities; and provides appropriate written confirmation that he is so authorised and the requirements have been met.

## 7. Member claims conflicting with Affiliated Society Claims

7.1 Where the Claimants to a Duplicate Claim are Members of PRS for Music and an Affiliate Society, the Duplicate Claim will be dealt with in accordance with these Rules.

**NOTE on Rule 7:** In addition to distributing royalties to its members, PRS for Music also distributes royalties to affiliated societies when their members have composed and/or published works used in the UK.

Where a PRS for Music member and an affiliated society's member have conflicting claims to a work, neither party has a greater claim to the disputed royalties held by PRS for Music on the grounds of their respective agreement with PRS for Music. Accordingly, PRS for Music will apply the Rules to any royalties collected by it pending resolution of the underlying dispute.

## 8. Placing a Musical Work directly into Dispute

8.1 PRS for Music reserve the right at any time prior to or during the Duplicate Claims Procedure to invoke the Dispute Procedure either:

8.1.1 at their own discretion, provided that such action is authorised by a senior manager and an explanation is given to all affected parties before such action is taken; or

8.1.2 at the written request of a party where it is alleged that one or more Musical Works or the entitlement to any Share therefrom is the subject of a Conflict

and where in PRS for Music's reasonable opinion no useful purpose would be served by operating the Duplicate Claims Procedure and, in the case of a request under 8.1.2, it would not be unreasonably prejudicial to the interests of the other party to invoke the Disputes Procedure.

**NOTE on Rule 8:** PRS for Music has general discretion to place royalties in suspense when it is not able to determine to its reasonable satisfaction that the claimant is a person interested in the work as defined under the Rules.

## 9. Court Proceedings

9.1 This section deals with the situation where proceedings have been issued in a UK court concerning the Authorship or control of a Musical Work or entitlement to Royalties.

9.2 Upon receipt of a copy of a Legal Claim or its equivalent in any UK Court, PRS for Music will invoke the Disputes Procedure and will notify all relevant parties to that effect.

9.3 All parties subject to a Duplicate Claim and/or Dispute are encouraged to negotiate and disclose documents to one another at an early stage, in accordance with their obligations under the CPR. However, PRS for Music shall have no obligation to monitor or enforce compliance by the parties with the CPR.

## 10. The Licensing of Musical Works in Dispute by MCPS

10.1 Licences for the use of a Musical Work that is the subject of a Duplicate Claim or Dispute will continue to be granted under the terms of any applicable Standard Licensing Agreement, Blanket Licence Agreement or Licensing Scheme.

10.2 Where no such Agreement or Scheme applies, or where such an Agreement or Scheme applies but requires that the express consent of the MCPS Member be obtained for the relevant reproductions or use, the following provisions will apply:-

10.2.1 Where all the parties are Members of MCPS no further licences for the reproduction of the relevant Work(s) will be granted by MCPS without the consent of each such Member.

10.2.2 Where not all the parties are Members of MCPS but more than one Member is involved, the consent of each member is again required.

10.2.3 Where only one Member is involved together with one or more non-Members, MCPS will continue to license the reproduction of the Work(s) in accordance with the Membership Agreement unless otherwise instructed by the Member.

10.3 Where a Member is party to a Conflict the Member should be aware that if that Conflict is not resolved in the Member's favour, the warranties and indemnities under Clause 10 of the Membership Agreement may apply in respect of any liability incurred or loss suffered by MCPS in connection with any valid or successful claim made against MCPS in respect of a licence granted by MCPS in accordance with the Rules set out above.

10.4 Where a Musical Work which is subject to the Disputes Procedure is licensed, any Royalty collected for the Work will be held in a Dispute account pending resolution of the Conflict.

## 11. The Licensing of Musical Works in Dispute by PRS

express consent of the party to whom such accountings were sent.

- 11.1 PRS will continue to license Musical Works subject to the Disputes Procedure as part of its blanket licensing arrangements. However, to the extent that the Share of any distributable fees attributable to the Musical Work is subject to a Dispute, the payment of Royalties allocable to the Disputed Share will be placed by PRS in suspense pending resolution of the Conflict.
- 11.2 Where a Member is party to a Conflict the Member should be aware that if that Conflict is not resolved in the Member's favour, the warranties and indemnities under Clause 4 of the Deed of Assignment or sub-clauses 4(a) and 4(c)(i) of the new form membership agreement (as the case may be) may apply in respect of any liability incurred or loss suffered by PRS in connection with any valid or successful claim made against PRS in respect of a licence granted by PRS in accordance with the Rules set out above.

## 12. Holding Royalties, fees and other monies in Suspense

- 12.1 This Rule 12 applies to the holding of Royalties in suspense once a Musical Work or Share relating thereto is the subject of a Dispute.
- 12.2 Subject to Rule 12.3, all Royalties arising in connection with such Musical Work(s) or Share will be held in suspense until such time as the Dispute is resolved in accordance with Rule 15.
- 12.3 Notwithstanding the provisions of Rule 10.4, *PRS for Music* shall make Royalty payments to all parties in accordance with the following provisions:
- 12.3.1 in Ownership Disputes, *PRS for Music* will pay out all Shares not subject to the Dispute;
- 12.3.2 in Authorship Disputes and Author Share Disputes, all the Royalties attributable to the Musical Work will be suspended unless part payment is requested and one of the provisions of Rule 12.4 is satisfied.
- 12.4 Either:
- 12.4.1 For Author Share Disputes, *PRS for Music* will distribute Royalties for the Musical Work if all parties agree in writing; or
- 12.4.2 For Authorship Disputes, *PRS for Music* will distribute Royalties not being claimed by the New Claimant(s), if all Original Claimants agree in writing;
- or
- 12.4.3 Where there is no agreement between the parties to enable payment out under Rule 12.4.1 or 12.4.2, any one Claimant can request part payment in accordance with the formula set out at Rule 13.
- 12.5 *PRS for Music* will not carry out any adjustments between the parties for Royalties paid under this section, even in the event that they do not reflect the ultimate entitlement of the parties upon resolution of the Dispute.
- 12.6 With effect from the date when *PRS for Music* place Royalties in suspense until such time as *PRS for Music* cease to operate the Dispute Procedure in accordance with these Rules, *PRS for Music* will send Royalty accounting details to each of the parties to the Conflict on request. Copies of royalty accountings sent to a party prior to the date on which the Royalties to which such accounting relate were first put into suspense will not be provided to the other party to the Dispute without the

## 13. Formula for Part Payment

- 13.1 The Share payable to each Claimant under Rule 12.4.3 is to be calculated in accordance with the following formula:

The Share payable to the Claimant is A minus C, where:

A = the Share of the Claimant requesting part payment, in respect of which they have provided Supporting Documentation, expressed as a percentage

B = the sum of all the other Shares claimed, expressed as percentages

C = A plus B minus 100%

- 13.2 It is to be noted that the application of the above formula may mean that some or all Claimants will not be entitled to any payment while a Work is in Dispute.

## 14. General

- 14.1 The parties to a Conflict must use their reasonable endeavours to resolve the conflict as quickly as is reasonably possible.
- 14.2 Without prejudice to their obligation to provide Supporting Documentation, the parties to a Conflict shall provide *PRS for Music* with such other information or documentation as *PRS for Music* may reasonably require in connection with the subject matter of the Conflict or the operation of these Rules.
- 14.3 Provided that *PRS for Music* have acted in accordance with the Rules, no claim will lie against *PRS for Music* for any loss or damage which a party claims to have suffered by reason of *PRS for Music* granting or refusing to grant any licence in relation to the relevant Musical Work or collecting or distributing or suspending the payment of any Royalties or making any claim in connection therewith.
- 14.4 Where a Musical Work is the subject of a Dispute, *PRS for Music* will provide copyright users of the Musical Work with the ownership or control information which appears on its database unless all parties to the Dispute agree otherwise.
- 14.5 *PRS for Music* will make available to view each party's Supporting Documentation to the other in accordance with these Rules. *PRS for Music* will only make available to view copies of Supporting Documentation received specifically in connection with the Conflict. *PRS for Music* will not, in the absence of a valid court order or other legal obligation, search its archives for, make available to view or provide documents received for other purposes, which will be kept confidential and not disclosed, except to *PRS for Music's* professional advisers. A party may write to request copies of its own archived documentation, which will be taken into consideration, subject to payment of reasonable expenses.
- 14.6 Where the Rules require *PRS for Music* to notify either Claimant or other Person interested in Royalties, *PRS for Music* will where the Claimant or person so interested is a writer, notify that individual via his publisher unless the Work is unpublished or the writer or publisher have requested otherwise.

**NOTE 1 on Rule 14.5:** *This Rule deals with the circumstances in which PRS for Music will disclose to one Claimant documents provided to it by the other Claimant. The automatic disclosure will also apply to documents between the Claimant and a third party and it is the responsibility of the Claimant relying on that document to seek consent*



of the third party to that disclosure prior to supplying the document to PRS for Music.

**NOTE 2 on Rule 14.5:** PRS for Music will not, unless under a valid court order, search for and provide copies of archived documentation received for other purposes from either of the Claimants but may consider a written request to do so on a case by case basis subject to payment of our reasonable expenses and does not disrupt or interfere with the provision of services to the membership generally.

accordance with PRS for Music's complaints procedure, a copy of which is available on our website at <http://www.prsformusic.com/creators/memberresources/complaintsprocedure/>.

## 15. Resolution of the Dispute

- 15.1 A Dispute shall be considered resolved when:-
- 15.1.1 either PRS for Music are notified of the settlement of the Conflict by all parties or PRS for Music receive a copy of the relevant order of the court or arbitrator ('Order'); and
- 15.1.2 all the requirements set out in Rule 15.4 and 15.5 below are satisfied.
- 15.2 Where an Order is the subject of an appeal, PRS for Music reserves the right to maintain the Dispute notwithstanding that the Order may not have been stayed.
- 15.3 On resolution of the Conflict, the Royalties held in suspense will (subject to the following provisions) be applied or paid out in accordance with the Order or settlement agreement, and the provisions of the Membership Agreement and/or the Articles of Association and the PRS Rules as the case may be.
- 15.4 All the parties to the Dispute shall ensure that they provide PRS for Music with clear written instructions as to how the control of the Musical Work and entitlement to any Share is to be apportioned. This instruction should detail Royalties held in suspense and future Royalties, giving all relevant dates together with any re-registrations, where appropriate. PRS for Music shall be entitled to such other information, notification or clarification as they may reasonably require to implement the parties' instructions subject to Rule 15.2.
- 15.5 Where the Society receives an Order made in a Court outside of the UK together with the consent of all parties to its terms the Society may act in accordance with that Order. However if one of the parties contests the jurisdiction of the Order and enforceability within the UK then the Society will require the endorsement by a UK Court before it will act in accordance with that Order.
- 15.6 Where any Order or settlement would be impractical for PRS for Music to operate or is ambiguous or otherwise unclear or, does not comply with PRS for Music practices or procedures, or notification, clarification or information reasonably requested by PRS for Music under Rules 15.4 and 15.5 is not supplied to them, PRS for Music will notify the parties of the problem. Upon PRS for Music giving notice under this provision, the parties to the Dispute must use their best endeavours to resolve the problem, and if necessary, to apply for an appropriate amendment to be made to the relevant Order. PRS for Music shall be entitled to maintain in suspense any Royalties held until the problem has been resolved.
- 15.7 PRS for Music reserve a general discretion to take Works out of Dispute, provided that such action is authorised by a senior manager and a written explanation is given to both parties before such action is taken.

## 16. Complaints Procedure

- 16.1 Where a Claimant believes that PRS for Music has not acted in accordance with the Rules, he may make a complaint in