



Radio Industry Files Anti-Trust Complaint Against Global Music Rights

November 18, 2016. Nashville, TN. The Radio Music License Committee (“RMLC”) has announced the filing of an antitrust complaint against Global Music Rights (“GMR”) concerning anticompetitive behavior that, if unchecked, would allow GMR to charge the U.S. commercial radio industry monopoly prices to publicly perform musical works in the GMR repertory. The RMLC is the industry group that has traditionally represented the majority of commercial radio stations in the U.S. with respect to music license matters involving ASCAP, BMI, and more recently, SESAC as well. In fact, the filing of the GMR complaint comes on the heels of the RMLC’s settlement in the summer of 2015 of similar litigation related to SESAC.

GMR, a public-performance-right licensing agency, is distinguished from ASCAP and BMI, in particular, in that it is a privately-held, for-profit firm that has created a bottleneck to, and artificial monopoly over, the works in its repertory. Unlike SESAC, ASCAP and BMI, which are all now subject to some form of rate regulation that acts to prevent monopoly pricing, GMR has thus far managed to avoid similar limits on its monopoly pricing.

The RMLC complaint alleges that GMR has created and maintained an unlawful monopoly over the works in its repertory. RMLC seeks injunctive relief, requiring, among other things, that GMR submit to a judicial rate-making procedure comparable to what the consent decrees governing ASCAP and BMI impose. The complaint was filed in the U.S. District Court for the Eastern District of Pennsylvania by the law firm of Latham & Watkins, on behalf of the RMLC as the sole plaintiff in the action.

Along with the complaint, the RMLC has also filed a motion for a preliminary injunction to prevent GMR from charging radio stations monopoly prices for a GMR license while the litigation is pending.

In recent years, the radio industry has faced a serious challenge in terms of restoring reasonable license fee levels during difficult economic times and in the face of proliferating music licensing agencies.

RMLC Chairman, Ed Christian, commented that “resorting to litigation is never a first option for the RMLC. This legal process will undoubtedly prove to be taxing in terms of the amount of labor and expense involved. Yet, we feel that GMR’s exorbitant fee demands are out of balance with their competitors and would do irreparable harm to our industry and this has left us with no other alternative.”

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