

Federal Copyright Laws and Royalty Fees

One of the benefits that lodges enjoy because of the IRS designation as IRC 501 (c) 8, is the exemption from paying royalty fees for copyrighted entertainment to ASCAP, BMI, SESAC and the Jukebox License Office as codified in U. S. Code, Title 17, Section 110, United States Copyright Law. This is a great saving to our lodges, but there is an issue concerning this exemption that lodges should be aware of to protect against inadvertent, but costly, infringements of copyright. A communication from the Jukebox License Office to Moose International referencing the Copyright Law advised that it was important to clarify which performances are exempt and which are not.

Contained within section 110 paragraph 10 of the Copyright Law are several points that must be considered when determining the eligibility for exemption:

1. Performances are exempt *only* when attendance is limited to members and their qualified guests. This would exclude any performances taking place when the public has been allowed to enter the lodge, and any performances during events that are advertised to the public.
2. The exemption is allowed only if the proceeds from the performance, after deducting the reasonable costs of producing the performance, are used exclusively for charitable purposes and not for financial gain.

This will automatically exclude any performances taking place on jukeboxes owned by a jukebox operator or coin-op vendor, since there is financial gain in these situations. The primary responsibility for licensing, however, will remain the jukebox owner's, and this is an important point for lodge administrators to understand. Jukeboxes owned and operated by the lodge will be exempt if they meet the requirements. However, unlicensed jukeboxes owned by other entities will not be exempt, and unlicensed performances of copyrighted music on those jukeboxes may open the lodge to the possibility of shared liability for copyright infringements.

The lodge can protect itself by ensuring that their jukebox operators license the jukebox in accordance with the law. The Jukebox License Office requests the cooperation of those lodges that have a jukebox not owned and operated by the lodge to provide the name, address and telephone number of the jukebox owner so the necessary license materials may be forwarded to the responsible owner.

For lodge owned jukeboxes the exemptions from the music licensing requirements will be respected, but in some situations, the Jukebox License Office may ask the lodge to provide a written statement for their records to confirm:

1. The lodge owns the jukebox.
2. Attendance is limited only to members and their qualified guests.
3. Proceeds are used for charitable purposes as outlined.

The Jukebox License Office desires to work with the Moose Lodges and wants to ensure that no Moose lodge pays license fees unnecessarily, but that composers, songwriters and music publishers are compensated for their works when they are entitled. The Jukebox License Office is located at 1700 Hayes Street, Suite 201, Nashville, TN 37203-3014. They may be contacted at 800-955-5853.

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