

What are 'Deadline Royalties' and how do they affect me?

Screenrights has a deadline of six years to distribute the royalties for a title to the relevant rightsholder from the time such royalties are collected in a distribution period. After six years, the royalties can no longer be distributed and are deemed to be 'time-barred'.

To distinguish royalties that are in the final year of the six year distribution period, Screenrights refers to them as '**deadline royalties**' to draw members' attention to the fact that they are less than a year away from reaching the distribution deadline.

The six-year deadline falls on 30 June of each calendar year.

What is a 'Distribution Year' or 'Distribution Period'?

A 'distribution year' or 'distribution period' is a one year period during which royalties are collected. It is based on the Australian financial year, starting on 1 July and ending on 30 June.

For example, in relation to the 2011 distribution year, this refers to royalties collected for use of the title between 1 July 2010 to 30 June 2011.

What is an 'Open Distribution Year'?

An 'open distribution year' refers to any year where the six year distribution period has not elapsed and so the royalties collected for a title are still open for distribution, that is, they are not yet 'time-barred'.

In February 2017, for example, all royalties collected in the 2011 – 2017 distribution years would be from open distribution years.

What is a 'Closed Distribution Year'?

A 'closed distribution year' refers to any year where the six years distribution period has elapsed and so the royalties collected for a title are no longer able to be distributed as they are 'time-barred'.

In February 2017, for example, all royalties collected in the 2010 distribution year and earlier would be from closed distribution years.

What Happens to Undistributed Deadline Royalties?

Any royalties collected by Screenrights that are not distributed to a rightsholder before the six-year deadline are rolled into the next pool of royalties made available for distribution to all members and are then reallocated. Deadline royalties may be undistributed because they are subject to an unresolved competing claim or because the rightsholder has not been identified.

How Will I Know If I Have Claim Involving Deadline Royalties?

Any titles involving deadline royalties are indicated on MyScreenrights – Screenrights' online membership portal - by a red triangle symbol in the top-right corner of the table field.

Screenrights endeavours to notify members by email or letter of any titles involving deadline royalties that may be relevant to a member.

Deadline Royalties Involved in a Competing Claim

A 'competing claim' arises when Screenrights receives more than one registration for a title from different members asserting a claim to the same royalty. In these cases, Screenrights is unable to distribute the royalties collected for a title until the relevant rightsholder is identified. Where all or part of the royalties involved in the competing claim are subject to deadline, the competing claim is known as a 'deadline competing claim'.

A competing claim could occur either at the time of registration (where another member has already registered the same rights in the title with Screenrights) or later in time (where another member subsequently registers the same rights in the title at a later date), creating a competing claim.

Where a competing claim occurs later in time, a member who has been paid royalties that are still within an open distribution year should be aware that those royalties now form part of the total value of the competing claim that must be resolved. This means that if the competing claim is resolved in favour of the other party, the value of the paid royalties may need to be returned by the member. This usually occurs by Screenrights deducting the amount from a future payment to that member.

The cut-off date for members to resolve a competing claim involving deadline royalties is 15 June of each calendar year. After this date, the deadline royalties involved cannot be distributed and are deducted from the total value of the competing claim to be resolved.

It is therefore in interests of members to resolve all their competing claims involving deadline royalties prior to the 15 June cut-off date.