

Copyright Board
Canada



Commission du droit d'auteur
Canada

Date 2025-06-27

Citation SOCAN Tariff 11.B – Comedy Shows and Magic Shows (2026-2028),
2025 CB 5

Member Drew Olsen

**Proposed
Tariff
Considered** SOCAN Tariff 11.B – Comedy Shows and Magic Shows (2026-2028)

**Approval of Proposed Tariff
As
Tariff SOCAN Tariff 11.B – Comedy Shows and Magic Shows (2026-2028)**

Reasons for Decision

I. Overview

[1] These reasons relate to one tariff proposed by the Society of Composers, Authors and Music Publishers of Canada (SOCAN): Tariff 11.B – Comedy Shows and Magic Shows (2026-2028) (the “Proposed Tariff”).

[2] The Proposed Tariff covers the public performance of musical works in SOCAN's repertoire by performers in person or by means of recorded music in conjunction with events where the primary focus is on comedians or magicians and the use of music is incidental.

[3] No objections were filed in regard of this Proposed Tariff.

[4] I find that a tariff based on the Proposed Tariff is fair and equitable, and approve it with no changes except those relating to the inflation calculation and the addition of a purported clarification regarding the scope of application of other tariffs.

[5] The fixed rate is \$50.97 per event.

II. Background

[6] The Proposed Tariff was filed on October 15, 2024, was duly published, and objectors were provided with an opportunity to file objections as provided for in subsection 68.3(2) of the *Copyright Act*. No objections were filed in respect of the Proposed Tariff.

[7] The previously approved tariff for the years 2023 to 2025 fixed the royalty rate at \$45.94 per event (the “Previously-Approved Tariff”).

[8] The Proposed Tariff proposes an inflationary increase in the royalty rate to \$56.37 per event. It also proposes to add that users of the tariff must file a report with SOCAN within 30 days of an event setting out the date, name and location of the event.

[9] Finally, the Proposed Tariff adds a clarification that the tariff does not apply to a comedy or magic show which is primarily a musical act, which is subject to another SOCAN tariff.

III. Issues

[10] I considered the following issues:

- Whether the Previously-Approved Tariff is an appropriate proxy for the Proposed Tariff.
- Whether the inflationary adjustment is appropriate.
- Whether the addition of a requirement to file a report within 30 Days of the event is appropriate.
- Whether the addition of the clarification that the tariff does not apply to a comedy or magic show that is primarily a musical act is appropriate.

Issue 1: Whether the Previously-Approved Tariff is an appropriate proxy for the proposed tariff

[11] The Board has frequently held that it is appropriate—absent reasons to the contrary—to use the Previously-Approved Tariff as a proxy of what could be fair. The Board has identified changes in the relevant market as one potential indicator of whether an adjustment to the rate is appropriate or necessary.¹

[12] In this proceeding, SOCAN has not proposed any market-based changes to the royalty rates beyond the adjustment for inflation.

[13] Since there is no information on the record that points to market-based changes relevant to the consideration of this Proposed Tariff, the Board has no reason to

¹ For example, *SOCAN Tariff 9 – Sports Events (2018-2023)* 2021 CB 6 (October 1, 2021).

question the appropriateness of the proxy. The Previously-Approved tariff is therefore an appropriate proxy.

Issue 2: Whether the Inflationary Adjustment is Appropriate

[14] The Board has found in the past that adjustments for inflation are appropriate as, among other reasons, they preserve the purchasing power of rights owners².

[15] In this proceeding, I apply the Board's default methodology³, relying on Statistics Canada's Consumer Price Index (CPI) monthly series for Canada, all items, not seasonally-adjusted and not adjusted for taxes, to calculate the inflation adjustment.

[16] In accordance with this methodology, inflation represents the percentage change in the CPI between the month following the last adjustment period to the last full-year of data available, no later than the end of the year preceding the tariff's effective period. In this proceeding, the inflation adjustment period is from January 2022 to December 2024. The CPI for January 2022 is 145.3, and for December 2024 is 161.2. Applying the inflation calculation method in the Board's guidelines⁴, the inflation rate for this period is calculated to be 10.94%.

[17] Applying this 10.94% increase to the last approved minimum fee of \$45.94 results in a new minimum fee of \$50.97. SOCAN had proposed an increase to the rate of 22.70% to \$56.37, which is higher than the actual inflation rate for the period. I therefore adjust it to reflect the actual inflation increase.

Issue 3: Whether the addition of a requirement to file a report within 30 days of the event is appropriate

[18] The Proposed Tariff adds a requirement that users must file a report with SOCAN within 30 days of an event setting out the date, name and location of the event. This is a sensible and not onerous reporting requirement for users as they are also required under the existing and Proposed Tariff to send the royalty payment within 30 days of the event. It makes sense that the payment be accompanied by information related to the event so that the appropriate record keeping entries can be made by SOCAN. I agree with this addition.

² For example, *SOCAN Tariff 14 – Performance of an Individual Work (2025-2027)* 2024 CB 4 (July 19, 2024).

³ Copyright Board, *Inflation Adjustments To Royalty Rates: Default Methodology*, 2024 ("Guidelines").

⁴ See Guidelines under "Step 1: Determination of the Inflation Rate" at p. 4.

Issue 4: Whether the addition of the clarification that the tariff does not apply to comedy or magic shows that are primarily musical acts is appropriate

[19] The Proposed Tariff adds a clarification that the Proposed Tariff would not apply “to a comedy or magic show that is primarily a musical act, which is subject to another SOCAN tariff.” (Emphasis added)

[20] I agree that it should be clear which tariff applies in the case where an activity is potentially covered by multiple tariffs. To the extent that a comedy or magic show is made up primarily of music where the lyrics or actions that accompany them are the main focus of the show, then there are other SOCAN tariffs that would apply. Where the comedy or magic show uses music that is incidental and the primary focus is on comedians or magicians then the Proposed Tariff would apply. I find that this framing is acceptable.

[21] However, since I am not seized of the hypothetical other tariff that would apply to the situation described above, I am not in a position to endorse, and therefore will not include, the underlined text.⁵

[22] Where parties are unable to agree on royalties to be paid in relation to acts that do not fall clearly or squarely under either tariffs, they can avail themselves of the Board’s individual dispute settlement mechanism. For instance, if discussions come to an impasse on whether the show is primarily focused on music, either party would be able to ask the Board to set royalty rates in light of the particular circumstances of the individual case.

IV. Decision

[23] The Proposed Tariff, with modifications to the royalties of \$50.97 per event, to reflect an adjustment for cumulative inflation of 10.94%, is approved under the title *SOCAN Tariff 11.B – Comedy Shows and Magic Shows (2026-2028)*.

⁵ See same issue in *SOCAN Tariffs 12.A and 12.B (2023-2025)*, 2022 CB 15 (September 23, 2022) at para 24.