



Copyright Board
Canada

Commission du droit
d'auteur du Canada

Filed by / Déposé par: Stingray Group Inc

Date: 2023-01-16

January 17, 2023

Copyright Board of Canada
800-56 Sparks Street
Ottawa, ON K1A 0C9

Filed via: email to registry-greffe@cb-cda.gc.ca

Re: Proposed Tariff Title: SOCAN Tariff 22.D.2 – User-Generated Content Services (2024-2026)

NOTICE OF GROUNDS FOR OBJECTION

The following Notice of Grounds for Objection (the “Notice”) is filed on behalf of Stingray Group Inc. (“Stingray”) in respect of Proposed Tariff *SOCAN Tariff 22.D.2 – User-Generated Content Services (2024-2026)* which was filed with the Copyright Board by SOCAN on 2022-11-14 pursuant to subsection 67(1) of the *Copyright Act*. This Notice is filed in accordance with PN 2022-007.

1. Any grounds for why the Board should not approve the proposed tariff despite any alteration of royalties or levies or fixation of terms and conditions

This proposed tariff applies to the communication to the public by telecommunication of works in SOCAN’s repertoire in connection with the operation of an online user-generated content service, including the use of musical works in a music video or a concert. Stingray is not currently engaged in the provision of a UGC service but given that the proposed term is for the years 2024-2026, it is possible that such services may be offered during the term. Accordingly, Stingray maintains its objection to this tariff to preserve standing.

2. Any grounds for objecting to any royalty or levy rates in the proposed tariff

SOCAN is seeking to increase the rates in this tariff from 1.9% to 3%, and to increase the minimum fee for services with no revenue from \$15 to \$25. SOCAN has not offered any justification for the proposed rate increases other than to suggest that it believes the interrogatories will disclose information that will justify the increases. SOCAN has had access to detailed music use and financial reporting from individual services under the certified tariff for several years and should have information in its possession relating to the type and amount of music being used and the revenues being made. It is open to SOCAN to formulate arguments based on that information to provide some justification to support the contention that the value of music used on these services has somehow increased sufficiently during the tariff term to justify an increase of this magnitude. SOCAN has not done so. Stingray is also not aware of any factor that could justify an increase to the value of music used by licensees of this tariff. Absent valid justification, the rate increases should be rejected entirely.

3. Any grounds for objecting to any terms or conditions in the proposed tariff

SOCAN has proposed modifications to the music use reporting requirements, including the addition of proposed section 5 relating to the making available right. SOCAN’s request for information to determine whether and to what extent there are songs that were made available but not played, presumably so that it may provide distributions to the rightsholders associated with those songs, is *prima facie*

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reasonable. To the extent the music use requirements are subject to the “if available” caveat, Stingray does not contest the modifications and will provide any and all available information to assist SOCAN in its distributions. SOCAN has proposed to remove the “if available” caveat from section 4(2). This is unreasonable and unjustified.

In addition, proposed section 9(4) is prejudicial to users of this proposed tariff, in that it specifically limits correcting errors discovered in audit only to errors made by the user of the tariff and expressly states that if SOCAN makes an error that is discovered in an audit, those errors need not be corrected. This is unfair. If there is an audit, all discovered errors should be subject to correction and compliance with the terms of the tariff.

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