

NOTICE OF GROUNDS FOR OBJECTION

Filed by Google Inc., Spotify AB, and Amazon.com.ca Inc.

In relation to proposed tariff *SOCAN Tariff 22.A – Online Music Services (2027-2029)*

Filed with the Copyright Board (the “Board”) on 2025-12-17 pursuant to Rule 18 of *Copyright Board Rules of Practice and Procedure*.

General Statement of Objection

This is the Notice of Grounds for Objection of Google Inc., Spotify AB, and Amazon.com.ca Inc. (the “Fasken Objectors”) to the Proposed Tariff for Online Music Services for 2027-2029 (the “Proposed Tariff”) filed by SOCAN and published on the Copyright Board website on November 17, 2025, pursuant to the provisions of section 68.2 of the *Copyright Act*.

The Fasken Objectors respectfully reserve the right to rely upon objections raised by other parties to the proceedings, *mutatis mutandis*. The Fasken Objectors also reserve their right to raise additional substantive points of objection throughout the proceedings related to the Proposed Tariff.

These objections are filed in accordance with the *Copyright Act* and the Practice Notice on the Filing of Grounds for Objection.

Inter alia and without limiting their general objection, and without admitting that they are liable for the payment of royalties pursuant to the proposed tariff, the Fasken Objectors object to the following:

Grounds for Objecting to Royalty Rates in the Proposed Tariff

The Fasken Objectors object to the rates set out in section 3 of the Proposed Tariff for the following reasons:

- Said proposed fees do not reflect the fair, reasonable, and appropriate value of the public performance or the communication to the public by telecommunication of works in SOCAN’s repertoire.
- Said proposed fees do not reasonably reflect either the amount or the type of the impact of music use by a licensee.
- In particular, the Fasken Objectors object to the proposed minimum “per play” rates, each of which is unjustified and commercially unreasonable.
- Said proposed minimum fees also use the “greater of” royalty structure that has been discouraged multiple times by the Board.

- Further, the Fasken Objectors object to the fact that the proposed fees do not adequately reflect the principle of technological neutrality in that it seeks to collect higher royalty rates from online music services than from other users who make substantially similar uses of music
- The Fasken Objectors object to the fact that proposed fees include in the rate base revenues which are in no way connected to the use or value of SOCAN's repertoire.

Grounds for Objecting to Terms and Conditions in the Proposed Tariff

The Fasken Objectors object to the reporting and auditing provisions contained in the Proposed Tariff at sections 4, 5, 6 and 8. Said provisions are intrusive, require the disclosure of potentially sensitive confidential information, and place a disproportionate burden on licensees. The fact that the Proposed Tariff requires licensees to retain records for a period of six years at section 8(1) is also unreasonable and places a disproportionate burden on licensees. Finally, the fact that online music services are required to pay for audit costs as per section 8(3) is also not standard.

The Fasken Objectors also object to the confidentiality provision at section 9. In particular, they object to section 9(2)(e) where SOCAN is given the right to share information with anyone who is presumed to know confidential information received pursuant to the tariff. This provision could allow for the release of sensitive confidential information to uninvolved third parties.

Additionally, the Fasken Objectors object to the reporting requirement under section 4(2)(i) that asks for information about the transmissions of content generated by artificial intelligence. This information is wholly unrelated to SOCAN's administering of the Proposed Royalties and overly intrusive.

The Fasken Objectors also object to SOCAN's proposal that no adjustment may be made to royalties paid more than six years in the past at section 7, other than by an audit conducted by SOCAN itself. This is unbalanced, unreasonable, and does not appropriately account for the fact that tariff proceedings can begin and only be fully resolved years after interim royalties have been paid.

Finally, the Fasken Objectors object to section 1(3) of the Proposed Tariff (relating to the training of any artificial intelligence system) to the extent it purports to limit the use of works in a manner consistent with the principles of fair dealing and other exceptions under the *Copyright Act*.

Additional Grounds for Objecting to the Proposed Tariff

The Fasken Objectors object to the fact that the Proposed Tariff does not adequately reflect the risk and investment by users in new technology.

The Fasken Objectors also object to the fact that the Proposed Tariff does not include a mechanism requiring SOCAN to identify which of the musical works used by a licensee

are within its repertoire and to adjust the royalties payable accordingly, despite the fact that royalties are only payable for streams requiring a SOCAN licence and despite the fact that licensees are required to identify the title, author, and publisher of each musical work.

Further, the Fasken Objectors object to the overlapping nature of SOCAN's proposed Internet tariffs (SOCAN's proposed Tariffs 22.A-G). SOCAN has not clearly differentiated its proposed Internet tariffs, which leaves prospective users unable to determine which tariffs may apply to them.

Yours truly,