

## **NOTICE OF GROUNDS FOR OBJECTION**

Filed by **Stingray Group Inc.**

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

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

This is the Notice of Grounds for Objection of Stingray Group Inc. (Stingray) to the Statement of Proposed Royalties to be Collected by SOCAN for Online Music Services for 2027-2029, (the “Statement of Proposed Royalties” or “proposed SOCAN Tariff 22.A”). Stingray respectfully reserves the right to rely on objections raised by other parties to the proceedings, *mutatis mutandis*. Stingray also reserves its right to raise additional substantive points of objection throughout the proceedings related to the Statement of Proposed Royalties.

### **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 (including, where applicable, the making available) of works in SOCAN’s repertoire in connection with the operation of an online music service (and its authorized distributors) other than a service covered other SOCAN Internet audio tariffs, including Tariff 26 (Pay Audio and Ancillary Services). As SOCAN notes, it is the nature of the *use* and not the *user* that determines whether the tariff applies. Stingray is of the view that this tariff should not be applicable to its online audio services and that, instead, the agreement with SOCAN following the release of *Re:Sound and SOCAN — Stingray Pay Audio and Ancillary Services Tariff (2007–2016)* (2021 CB 5-T) or the agreement with SOCAN pertaining to music videos should apply to all such services. However, given the qualifier that it is the use and not the user, Stingray maintains its objection to this tariff to preserve standing in the event SOCAN seeks to apply this tariff to online audio services offered by Stingray.

### **Grounds for objecting to any royalty or levy rates in the proposed tariff**

SOCAN is seeking to more than double the rates in this tariff, yet it has not offered any justification for the proposed rate increases other than to suggest that it believes the objectors will produce information that will establish the value and monetization of music by online music services during the relevant period, including how AI-generated content would be determined and tracked. Stingray is not aware of any factor that could justify an increase to the value of music used by licensees of this tariff.

## **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* reasonable. To the extent the music use requirements are subject to the "where available" caveat, Stingray does not contest the modifications.

Stingray objects to the change to the frequency with which services are required to pay royalties, from quarterly to monthly.

## **Additional Grounds for Objecting to the Proposed Tariff**

Stingray also objects 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.

SOCAN's position regarding artificial intelligence is *prima facie* reasonable but is potentially overbroad. Stingray reserves the right to make arguments as to the reasonable use of AI systems in its operations with appropriate limitations in place provided that the use is not excluded under principles of fair dealing or other exceptions under the Copyright Act.