

NOTICE OF GROUNDS FOR OBJECTION

Filed by **Stingray Group Inc.**

In relation to Proposed Tariff **SOCAN Tariff 22.D.1 – Online Audiovisual 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 Audiovisual Services for 2027-2029, (the “Statement of Proposed Royalties” or “proposed SOCAN Tariff 22.D.1”). 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 objecting to any royalty or levy rates in the proposed tariff

SOCAN is seeking to increase the rates in this tariff from 1.7% to 3%, and to add a minimum fee of 17¢ per program or 19.5¢ per subscriber per month for services with subscribers. SOCAN states that the increase is intended to reflect changes in the market including increased efficiencies and expanded uses of music, which SOCAN assumes will be justified by evidence produced by the objectors during the proceeding. Stingray is not aware of any factor that could justify an increase to the value of music used by licensees of this tariff. Absent justification the rate increases should be rejected entirely.

Stingray objects to the fact that the Statement of Proposed Royalties seeks to include in the rate base revenues which are in no way connected to the use or value of SOCAN’s repertoire. SOCAN has removed the page impression ratio from the Proposed Tariff and included a proposed definition of Internet Related Revenues that seeks to capture all revenues from Stingray’s websites and applications rather than just the revenues that are related to the use of SOCAN’s repertoire. This constitutes a significant overreach in the rate base and would result in SOCAN receiving royalties derived from revenues that have nothing to do with its repertoire.

Ground 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.

That said, it is possible Stingray may not have access to records that will enable it to differentiate between the content that was made available and the content that was actually streamed. SOCAN’s request for services to use commercially reasonable efforts to obtain cue sheets from third parties set out in section 5 combined with the definition of “cue sheet” in section 2 does not incorporate the “where available” caveat. In the event Stingray requests a cue sheet from a third-party audiovisual producer and that cue sheet is not provided or does not include the components articulated in the definition, Stingray could be non-compliant with the tariff. The definition of “cue sheet” should be modified to reflect this possibility.

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.