



Copyright Board

Motion Picture Association - Canada Notice of Grounds for Objection

SOCAN Tariff 22.D.1.R – Reproduction of Musical Works Embedded in Audiovisual Works for Transmission by a Service (2024-2026) (“Proposed Tariff”)

January 17, 2023

Further to the objection filed by Motion Picture Association – Canada (“**MPA-Canada**”) with the Board on December 19, 2022, MPA-Canada files this Notice of Grounds for Objection to SOCAN’s Proposed Tariff in accordance with the Board Practice Notice 2022-007.

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

N/A.

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

MPA-Canada objects to the royalty structure of the Proposed Tariff, which is some combination of a percentage of revenue, fee per file or fee per subscriber per month. This structure, and the proposed royalty rates, are not sensitive to the fact that SOCAN represents only a small fraction of the works that may be reproduced. Moreover, many files and many users of the Proposed Tariff will engage very few, if any, of SOCAN’s reproduction rights and should be liable for proportionately lower royalties or not liable for any royalties.

The proposed structure also fails to recognize that: (1) the extent of SOCAN music in an audiovisual work, if any, can vary dramatically; (2) works produced by the MPA member companies contain little, if any, SOCAN music; (3) MPA member companies clear all necessary reproduction rights for musical works at the time of production; and (4) most, if not all, reproductions of audiovisual works are made outside of Canada.

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

MPA-Canada objects to the Proposed Tariff that consists of overly onerous and over-inclusive reporting terms to the prejudice of the MPA member companies. For example, the Proposed Tariff could require MPA member companies to provide music end-use information and cue sheet data on files that are not compensable. Moreover, any reporting is subject to SOCAN’s audit, to report service-identification information or any adjustments to thereof, and to preserve record information for a certain duration of time, notwithstanding the issues noted above as concerns the structure of the Proposed Tariff.