



SOCAN

Society of Composers, Authors and
Music Publishers of Canada

Société canadienne des auteurs,
compositeurs et éditeurs de musique

SOCAN PLEASED WITH FEDERAL COURT OF APPEAL'S DECISION TO LET STAND RINGTONES TARIFF

(Toronto – January 16, 2008) The Society of Composers, Authors and Music Publishers of Canada (SOCAN) is pleased with the Federal Court of Appeal's recent ruling in support of the 2006 Copyright Board's decision to set licence fees for the transmission of ringtones by ringtone suppliers for the years 2003-2005.

The decision confirms SOCAN's position that the transmission of a ringtone to subscribers by ringtone suppliers constitutes a "communication to the public by telecommunication" and allows SOCAN to seek licence fees from wireless carriers for the communication of musical works via ringtones in Canada.

"SOCAN is delighted that the Federal Court of Appeal allowed the decision of the Copyright Board setting Tariff 24 to stand," says Paul Spurgeon, Vice President Legal Services and General Counsel, SOCAN.

Tariff 24 History

On August 18, 2006, the Copyright Board certified a Statement of Royalties entitled "SOCAN Tariff No. 24 – Ringtones (2003-2005)." Tariff 24 authorizes SOCAN to collect royalties on the wireless transmission of ringtones requested by cell phone users from wireless carriers.

Canadian Wireless Telecommunications Association and two of its members, Bell Mobility Inc. and Telus Communications Company, sought a judicial review of that decision on the basis that the transmission of a ringtone to a cell phone was not a communication and was not a communication to the public and that, under the *Copyright Act*, a communication to the public needed to be heard by the recipient at the moment of transmission, otherwise, it was not a communication. The court, however, ruled that this definition of "communication" is simply too narrow.

On Thursday January 10, 2008, the Federal Court of Appeal confirmed the Copyright Board's Tariff 24, which means all wireless carriers must obtain a licence to communicate a ringtone or make a ringtone available to the public for the years 2003-2005. The royalty payable is 6 per cent of the price paid by the subscriber for the ringtone, net of any network usage fees, subject to a minimum royalty of 6¢ each time a ringtone is supplied in 2004 or 2005.

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At SOCAN, we understand that the Canadian music industry is only as strong as the sum of its parts. We are proud to play a leading role, working with other organizations to ensure the long-term health of our members' livelihoods and the Canadian music industry as a whole. SOCAN is the Canadian copyright collective for the communication and performance of musical works. We administer these rights on behalf of our members (composers, lyricists, songwriters and their publishers) and those of affiliated international organizations by licensing this use of their music in Canada. The fees collected are distributed as royalties to our members and to affiliated organizations throughout the world. We also distribute royalties received from those organizations to our members for the use of their music worldwide. SOCAN has offices in Toronto, Montreal, Vancouver, Edmonton and Dartmouth.

For more information about how we're doing what's right for music, please visit us at www.socan.ca.

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