



**PRESS RELEASE**

**For immediate release**

**Modernization of *Copyright Act* affects creators within the music industry**

Montreal, June 8, 2010 – Despite the announced rebalancing of the interests at stake in the *Copyright Act*, Industry Minister Tony Clement and Canadian Heritage Minister James Moore have presented Canadian citizens with a draft legislation entitled *Copyright Modernization Act* that will deprive the musical creative community of essential sources of income. Indeed, several of the proposed changes will have a direct impact on the reproduction rights of authors, composers and music publishers.

First and foremost, Bill C-32 removes the requirement for broadcasters to pay royalties for “temporary copies” of music required for digital operations and will allow them to retain such copies for up to 30 days without paying royalties.

In addition, under the private copying regime, creators are still entitled to receive financial compensation for personal copies of musical works made on certain recording media, such as CDs. But the decision not to extend the scope of this provision to include digital media such as MP3s and to legalize the recording of works by consumers for personal use, with no financial compensation for the creators, will result in the loss of a significant source of revenues as physical formats become obsolete.

Both of these measures had been adopted to ensure that essential revenues would be channelled to creators in the music industry.

With Bill C-32, the Canadian government is now attempting to foster creativity by introducing new rights and protection measures. Needless to say, the implementation of the Internet treaties administered by the World Intellectual Property Organization (WIPO) and the targeting of those who promote and profit from infringement are necessary steps. However, several countries have already adopted these provisions; experience shows that such steps are not enough to protect the works and revenues of rights holders, particularly in the songwriting area.

As regards Internet service providers (ISPs), the proposed requirements in Bill C-32 are therefore insufficient. ISPs derive significant benefits from revenues generated by the cultural content transmitted via their networks; in all fairness, they should assume significant legal and financial liability aimed at transforming them into effective partners in the fight against online piracy.

As regards the visual arts and crafts, SODRAC had called for the introduction of resale rights that would have enabled creators in these areas to receive a portion of the proceeds generated when their works are resold, as it exists in more than 50 countries. However, the proposed legislation remains silent on this point.

SODRAC, which is celebrating its 25<sup>th</sup> anniversary this year, is a collective management society for reproduction rights in music, also active in the visual arts and crafts area. SODRAC distributes the royalties it collects from users to its 6,000 Canadian members, authors, composers and music publishers, as well as to rights holders belonging to foreign collective societies it represents in Canada.

If adopted without amendments, the bill tabled in the House of Commons will significantly affect creators' revenues. Moreover, the desired balance between the interests of creators and those of consumers and users is, in our opinion, completely absent. Thus, it is imperative that Bill C-32 be revised before it is ultimately adopted into law.

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