

**Copyright Board*****Notice of Grounds for Objection by Apple Inc. and Apple Canada Inc. (“Apple”)*****SOCAN Tariff 22.A – Online Music Services (2024-2026)**

January 17, 2023

Apple objects to the above tariff (the “**Tariff**”) on the following grounds:

1. The new reporting requirement in Section 5 of the Tariff, allowing SOCAN to require a service to provide a list of files made available by the service for on-demand streaming (the “Making Available Requirement”), is unjustified and beyond the Board’s jurisdiction, given that the Court found that Section 3(1)(f) of the Copyright Act (the “Act”) is only engaged once in the case of a stream.
2. The royalty rates and minimum fees set out in Section 3 of the Tariff are excessive and are not fair and equitable pursuant to Section 66.501 of the Act.
3. By failing to include appropriate discounts relating to trial offers and other pricing, packaging and promotions, the royalty rates and minimum fees set out in Section 3 of the Tariff do not adequately take into account the business models of different users, including that of Apple.
4. The Board should consider alterations or additions to the royalty rates and structure that take into account the relevant business models of different users for the Tariff period, including customer trials, services bundles and carrier offerings aimed at incentivizing new customer subscriptions, as well as winback special offers, upgrade offers and save promotional offers to customers as an incentive to prevent them from ceasing to be a customer and to recommit to the offered services. All of these features serve to enhance and maintain royalties for rights holders.
5. The terms and conditions of the Tariff, including the reporting requirements set out in Section 4, are not practical or feasible, and the cost of complying with these terms and conditions are excessive, in particular the Making Available Requirement. Furthermore, the confidentiality provisions in Section 10, including the broad sharing of information contemplated for collection of royalties and with any person who is “presumed to know” and to allow sharing of reporting information with SOCAN’s agents and service provider, are inappropriate and overbroad.
6. The Board should consider alterations or additions to the terms and conditions to make them more practical and accord with existing practices of users and SOCAN. The terms and conditions proposed by SOCAN – including the proposed reporting data at the musical work level rather than the sound recording level - go beyond industry standard practices. For example, the royalty reporting and payment time frames proposed are shorter than industry standard practice. The reporting metrics proposed in the usage reports go beyond metrics that are necessary to administer royalties. The proposed reporting of publishing metadata associated with each musical work does not align with existing standard practices.

Publishing metadata is not information that is provided by content providers therefore users cannot typically provide such information.

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