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TERM EXTENSION BENEFITS CANADIAN ARTISTS, MUSIC COMPANIES AND THE ECONOMY: MUSIC CANADA

Ottawa/Toronto, April 21, 2015 – Music Canada applauds the Government of Canada’s 2015 Budget for announcing the intention to amend the term of copyright for sound recordings from 50 to 70 years.

“By proposing to extend the term of copyright in recorded music, Prime Minister Harper and the Government of Canada have demonstrated a real understanding of music’s importance to the Canadian economy. Thank you. We look forward to seeing the full details when the Budget Implementation Act is tabled,” says Graham Henderson, President of Music Canada.

“With each passing day, Canadian treasures like *Universal Soldier* by Buffy Sainte-Marie are lost to the public domain. This is not in the public interest. It does not benefit the creator or their investors and it will have an adverse impact on the Canadian economy,” adds Henderson.

Leonard Cohen reinforces the urgency of the problem, “In just a few short years, songs we recorded in the late 1960s will no longer have copyright protection in Canada. Many of us in our 70’s and 80’s depend on income from these songs for our livelihood. We would deeply appreciate any adjustment that would avert a financial disaster in our lives.”

This change will rectify the long-standing competitive disadvantage that Canadian artists and Canadian music has had by not being aligned with our international trading partners. A 70 year term of copyright has become the norm internationally. More than 60 countries worldwide protect copyright in sound recordings for a term of 70 years or longer, including all of Europe, the U.S., and Australia. Across Europe, Canadian artists are denied the full 70 year term of protection due to Canada’s shorter term of protection.

“The world has changed since our original copyright laws were drafted,” says Bruce Cockburn. “Every piece of music is, at least theoretically, with us forever. Extending the copyright term is an eminently sensible response to this new situation, and a welcome one!”

“I support extending the length of copyright for sound recordings in Canada to 70 years,” adds Jim Cuddy. “The copyright of a creative work should not expire in the lifetime of an author.”

Term extension fosters increased investment in new artists. With a significant average annual investment by music companies of over 28% of revenues in developing talent, the next generation of performing artists will benefit from this copyright amendment now and well into the future.

“I’m glad that Canada has extended our copyright term, so we can continue to use the proceeds from classic Canadian recordings to invest in great Canadian talent,” said Kardinal Offishall.

- 30 -

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Music Canada is a non-profit trade organization that represents the major record companies in Canada, namely Sony Music Entertainment Canada, Universal Music Canada and Warner Music Canada. Music Canada also works with some of the leading independent record labels and distributors, recording studios, live music venues, concert promoters, managers and artists in the promotion and development of the music cluster.

Backgrounder: Term Extension for Sound Recordings

How Copyright Works & Canadian Copyright Law

Copyright is a form of intellectual property protection provided to a creator who expresses an idea in a creative work such as a sound recording. The owner of copyright in the creative work has the exclusive right to copy, use, distribute, and receive compensation for such uses of the work for a defined period of time. The copyright owner uses the time during which the creative work is protected by copyright to extract value from it and earn a living.

The Canadian *Copyright Act* sets out the time limitations for exclusive uses of compositions, written works, films, and sound recordings. Section 23 of the *Copyright Act* currently states that performers and producers of sound recordings are provided a term of protection of 50 years. In comparison, other copyrighted works such as books, films, and musical compositions are protected for 50 years after the creator's death. When the term of copyright has expired, the works are commonly said to be in the public domain, meaning that they may be freely used, distributed and copied without knowledge of, or compensation to, the creator or other rights holder.

International Comparisons

Over 60 countries worldwide protect copyright in sound recordings for a term of 70 years or longer from the time of the recording (see list attached). Until today, Canada, with only 50 years of copyright protection, has been an outlier amongst developed countries.

Implications for Artists

A term of 70 years will mean that artists and other rights holders retain control of their sound recordings and can profit from them into their elder years. Without term extension for sound recordings, the early works of Leonard Cohen, Neil Young, Gordon Lightfoot, Joni Mitchell, and Anne Murray would be in public domain over the next five years.

For younger artists, additional profits derived by rights holders from older recordings will be reinvested in developing artists. The music industry is second to none in terms of reinvestment in new talent, with over 28% of revenue reinvested in 2014. As IFPI's latest *Investing in Music* report illustrates, this is a greater percentage of revenue than the pharmaceutical, biotech, computer software or high tech hardware industries each invest in R&D.

Implications for Consumers

Public domain works, instead of being cheaper for the consumer, simply shift the value between different parties in the value chain. In the case of copyright-protected recordings, the performers continue to get paid for their work and profits are reinvested in new artists. Whereas for a public domain recording, the performer receives nothing; the additional value is instead taken as increased profit for the company distributing the public domain music. Consumers further benefit from copyright-protected works as businesses are incentivized to digitize and reissue classic recordings, often with remastering and additional and enhanced features and previously unreleased recordings. Studies have shown that there was no significant difference in the average price of recordings still under copyright compared to those in the public domain. This is further demonstrated through a comparison of the price of recordings in the public and copyright-protected recordings of a similar quality: 1950s recordings in the public domain on iTunes are priced no differently than protected 1960s or 1970s recordings. In countries that have extended the term of copyright in sound recordings, as Europe did in 2012, term extension has not resulted in an increase to consumer pricing.

Appendix A:

Countries with copyright protection for sound recordings over 50 years

1. United States (95)
2. Mexico (75)
3. United Kingdom (70)
4. France (70)
5. Germany (70)
6. South Korea (70)
7. Australia (70)
8. Argentina (70)
9. Austria (70)
10. Netherlands (70)
11. Spain (70)
12. Italy (70)
13. Norway (70)
14. Slovenia (70)
15. Sweden (70)
16. Slovakia (70)
17. Romania (70)
18. Portugal (70)
19. Poland (70)
20. Lithuania (70)
21. Latvia (70)
22. Ireland (70)
23. Bahamas (70/100)
24. Saint Vincent (75)
25. Samoa (75)
26. Bahrain (70)
27. Brazil (70)
28. Burkina Faso (70)
29. Chile (70)
30. Costa Rica (70)
31. Cote d'Ivoire (99)
32. Micronesia (75/100)
33. Morocco (70)
34. Nicaragua (70)
35. Oman (95/120)
36. Palau (75/100)
37. Colombia (80/50)
38. Panama (70)
39. Paraguay (70)
40. Dominican Republic (70)
41. Ecuador (70)
42. El Salvador (70)
43. Ghana (70)
44. Grenadine (75)
45. Guatemala (75)
46. Honduras (75)
47. Hungary (70)
48. Greece (70)
49. Finland (70)
50. Estonia (70)
51. Denmark(70)
52. Czech Republic (70)
53. Cyprus (70)
54. Croatia (70)
55. Bulgaria (70)
56. Belgium (70)
57. Peru (70)
58. Singapore (70)
59. Turkey (70)
60. Iceland (70)
61. Liechtenstein (70)
62. Malta (70)
63. Luxembourg (70)
64. India (60)
65. Venezuela (60)
66. Bangladesh (60)