

THE SCREEN COMPOSERS GUILD OF CANADA

COPYRIGHT IN THE 21ST CENTURY

FOR THE CANADIAN SCREEN-COMPOSER



PRESENTED TO:

THE STANDING COMMITTEE ON CANADIAN HERITAGE

REMUNERATION MODELS FOR ARTISTS AND CREATIVE INDUSTRIES

September 25 2018

THE SCREEN COMPOSERS GUILD OF CANADA | SCGC

We represent the rights and interests of our members with

- ▶ Producers, broadcasters, government agencies
- ▶ We formed in 1980 and since 2003 have been certified under the *Federal Status of the Artist Act*.
- ▶ Screen-composers create original music for film, television, documentary and other screen-media that is exported around the world.

YOU MAY NOT KNOW OUR NAMES — YOU MAY KNOW OUR WORK

▶ Ari Posner:

- ▶ *Under the Influence*, CBC - Terry O'Reilly
- ▶ *Flashpoint* – broadcast on CTV in Canada, CBS in the USA
- ▶ *Anne with an E*, – adapted from *Anne of Green Gables* stories, by Lucie Maude Montgomery
- ▶ Currently, *Anne* is broadcast on CBC and available in 190 countries on Netflix

YOU MAY NOT KNOW OUR NAMES — BUT YOU KNOW OUR WORK

▶ Paul Novotny:

- ▶ *CBC-The HOUR* – George Stroumboulopoulos
- ▶ *CBC-News Now* – Newsworld
- ▶ *CBC-The National* – the music that underscored CBC's coverage of the 9/11 attacks 17 years ago.

OUR POSITION IN THE CREATIVE PRODUCTION ECOSYSTEM IS:

- ▶ Like screenwriters, screen-composers are recognized as *"key creative" people*.
- ▶ Screen-composers are the *"first-owners"* of their copyrights.
- ▶ Our music copyrights consist of **two types** of rights, *performance & reproduction*.
- ▶ These rights live alongside a separate bundle of motion-picture copyrights.
- ▶ Once our music is married to picture, it is distributed, consumed domestically and exported internationally, generating copyright remuneration that is derived from advertising sales.
- ▶ Our remuneration is governed by copyright policy, not by us.
- ▶ Domestic and international revenue is collected and then returned to Canada for distribution to screen-composers by SOCAN, Canada's world-leading performing rights organization (PRO).

LET'S FOLLOW THE MONEY

- ▶ A portion of advertising revenue from traditional terrestrial broadcasters, including cable and satellite, generates two types of royalties:
- ▶ *A Public Performance Right* and a *Physical/Digital Reproduction Right*.
- ▶ Based on these two copyright types, SOCAN collects proportional domestic and international money and then distributes to Canadian screen-composers. The money collected is calculated on a % of quarterly-advertising sold and reported by the broadcaster. 20th century Copyright policy for screen-composers is based on broadcast advertising sales.

So, let's see how this system is working in the 21st century!

ARI'S STORY IS — “DISPROPORTIONATE REMUNERATION”

- ▶ *Anne with an E* places Ari at the front-line of the “screen-composer/copyright” discussion.
- ▶ Distributed terrestrially on CBC, digitally on Netflix.
- ▶ 4th most bing-watched, customer-selected self serve Netflix show, worldwide.
- ▶ A staggering 95% drop in public performance and reproduction royalty distribution, compared to traditional distribution.

PAUL'S STORY IS — “NO INDICATION OF YOUTUBE REMUNERATION”

- ▶ Recently composed music for an independent short film, “*Mishka*”, about teen pregnancy, made by rising Canadian filmmaker, Cleo Tellier.
- ▶ “MISHKA” has achieved over 20 million YouTube views since April 22nd, 2018
- ▶ The film is generating approx. \$3,000 a month in YouTube advertising revenue which is returned to the film-maker, but under current copyright policy, no proportional public performance or reproduction copyright remuneration is yet afforded to the screen-composer.
- ▶ Currently, there is no indication that a “proportionate music copyright remuneration” will be distributed from YouTube
- ▶ **What has happened to public performance and reproduction royalties?**

THEY HAVE BECOME INSIGNIFICANT OR DON'T EVEN EXIST BECAUSE ...

THE MONEY HAS MOVED TO SUBSCRIPTION

- ▶ **1-The result is:** *As Anne with an E* enters its third season, in spite of massive social reception and consumption, the royalties are negligible.
- ▶ **2-The result is:** SCGC members are seeing minuscule distribution from YouTube, which is owned by the global advertising company, Alphabet-Google.
- ▶ **3-The result is:** Royalties from the large streaming services are 50 to 95% lower than when compared to terrestrial broadcasters.
- ▶ **4-The result is:** Veteran composers are not able to sustain their careers in screen-media.
- ▶ **5-The result will soon be:** The next generation has little hope of a livelihood in screen-media.

WHAT DO WE DO?

IT'S SIMPLE, WE MUST FOLLOW THE MONEY ...

Copyright remuneration policy
must be augmented to include
and gather money from
subscriptions

A NEW MUSIC COPYRIGHT LEVY — INSPIRED BY THE BLANK-MEDIA LEVY

"SCGC COPYRIGHT MODEL" (SCGC-CM)

- ▶ An ISP media subscription levy model, that provides a basic 15 Gig of unlevied data to households, allowing ample room for e-mail, digital commerce and downloading.
- ▶ But beyond consumption of 15 gig, a levy would be applied, tabulated, collected and remitted to a collective organization for distribution to music copyright owners.
- ▶ Mobile would get a separate threshold, size yet to be determined.

This is a first-response, to a grave economic condition that is not naturally correctible in the current market place

THE VALUE GAP IS REAL

Minuscule copyright remuneration
from plentiful media consumption is
woefully disproportionate

CANADIAN COPYRIGHT FOR THE 21ST CENTURY COULD ...

- ▶ Consider the potential of the proposed SCGC-CM levy.
- ▶ Adopt a philosophical vision to align with other countries and economic unions who embrace copyright protection for creators. Example: EU Article 11 and 13 which espouse similar ideas contained in Music Canada and CMPC recommendations.
- ▶ Endorse Music Canada's document, *The Value Gap*, and the 2017 CMPC document titled, *"Sounding Like a Broken Record."*
- ▶ Balance criticism of our requests fairly. Biased broad-base statements and research do not address or consider the nuances presented to you by our SCGC representatives.

— PRINCIPALS THAT ENVISION —
“TECHNOMORAL 21ST CENTURY COPYRIGHT REMUNERATION”

THE 21ST CENTURY DIGITAL SUBSCRIPTION, SELF-SERVE MODEL IS HERE

Principles to stand by in the 21st century of music copyright:

- ▶ Responsive copyright shepherds the creative economy and its ecosystem of creators. It protects livelihood today, and sustains career-hope for tomorrows screen-composers, songwriters and all others in the music/media production ecosystem, which include: studio owners, educators, engineers, musicians, conductors, arrangers, orchestrators, music editors, copyists, singers, music technology retailers and music software developers. Copyright policy affects them all.
- ▶ Like mother nature, copyright policy should “quickly intervene” to restore balance when there is exaggerated disruption that may result in extinction. If there are no Canadian screen-composers, composers or songwriters, all those down-stream participants will terminate as well.
- ▶ The SCGC-CM intervention is a “first step” towards stabilizing livelihood for the global music ecosystem, Canada should adopt it and champion it to world.

Copyright in the 21st century must follow the money, which is now subscription based.

Thank you

©SCGC–2018