

SOCAN BRINGS LEGAL PROCEEDINGS AGAINST XM CANADA

(Toronto – September 2, 2009) SOCAN (The Society of Composers, Authors and Music Publishers of Canada) today launched legal proceedings against satellite radio service XM Canada for non-payment of copyright royalties.

Despite the Copyright Board of Canada's approval of the performing right royalties to be paid by satellite radio services, XM Canada has failed to pay the required fees to SOCAN. The royalties, which cover the use of music by XM Canada and its competitor SIRIUS Satellite Radio, for the period beginning January 2005, were approved by the Copyright Board in April 2009 and were due to be paid by the services no later than July 31, 2009, and on a monthly basis going forward. Pursuant to the applicable tariff, XM Canada is required to pay SOCAN 4.26 percent of its service revenues. XM's failure to pay the royalties in accordance with the tariff has left SOCAN with no alternative but to claim payment of all royalties past due and, if necessary, to seek an injunction preventing XM from broadcasting music in the event that it remains in breach of its payment obligations.

"SOCAN finds XM's position untenable, particularly in light of the fact that satellite radio service operators knew of their requirement to pay SOCAN royalties well before they began operations in 2005, and after a lengthy Copyright Board hearing that took place in December 2007," says C. Paul Spurgeon, SOCAN's vice-president Legal Services and general counsel. "XM's failure to pay the royalties, which are significant, deprives composers, lyricists, songwriters and music publishers from Canada and around the world of the compensation they deserve and to which they are entitled, for the use of the music they create and administer, particularly in the context of commercial undertakings that rely heavily on music for generating their own revenues. XM's nonpayment is also unfair to its competitors in the market."

About SOCAN

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.

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