



# NEWSLETTER

An Entertainment Industry Organization

## Neighboring Rights

### Frequently Asked Questions

#### The President's Corner

Welcome to the CCC.

Last month's highly attended panel, "Financial Strategies For Copyright Stakeholders," was a rousing success. Thanks to both Cedar Boschan and Cheryl Hodgson for organizing and moderating.

Tonight's international panel is moderated by our own Teri Nelson Carpenter and is entitled "Oh Canada: It's Not The 51st State When It Comes To Managing Your Music Rights." Teri's panelists include: C. Paul Spurgeon, General Counsel & Vice President of Legal Services, SOCAN (Performing Rights); Diane Pinet, President, Bloc Notes Music Publishing; Gino Olivieri, President, Premier Muzik International Corporation (Neighboring Rights); Guylaine Théroux, Director of Operations, SODRAC (Reproduction Rights); David Weitzman, Senior Director, Business Development & Operations, Olé; and J.P. (John-Paul) Ellson, Chair, Canadian Council of Music Associations (CCMIA)

Also, this month we're having our annual CCC elections. If you are a member, you're entitled to vote and will be receiving a ballot in the mail. We'll report the results at our next meeting. So vote early and vote often...jk.

Thank you for coming to tonight's panel. If you like what you see, and you're not already a member, please consider joining. Believe it or not, we don't make a lot on the dinners. Your membership fees go a long way to supporting our not-for-profit organization in its mission to educate members of the entertainment industry on key issues pertaining to the owners and users of intellectual property.

**Eric Polin**  
President, California Copyright Conference.

#### What are Neighboring Rights (NR)?

- Neighboring Rights are the rights of performers and makers of sound recordings to be paid fairly for the broadcast and public performance of their works. Neighboring rights were enacted after 1996 and amended to the Copyright Act. The maker of a sound recording is defined in the Copyright Act as the person who makes arrangements for the first fixation of the sounds, including entering into contracts with performers, and making financial and technical arrangements. Neighboring Rights bypasses both composer and author; it addresses the contributions to a recording from session players, singers, performers and record companies.

#### How does someone join to get their Neighboring Rights?

- Simply ask us for our appropriate application and we will do the rest. Premier Muzik International Corp. has representation with almost all major territories of the world for these royalties. Neighboring Rights societies unlike ASCAP, BMI, SESAC, SOCAN etc., do not often communicate information to sister societies hence making it virtually impossible to have one society do the work of collecting your royalties. We will represent your interest around the world and collect all that is yours including rectifying improperly implemented data.

#### What is the difference between SESAC, ASCAP, BMI, SOCAN and Neighboring Rights?

- ASCAP, BMI, SESAC, SOCAN (Society of Composers, Authors and Music Publishers) are responsible for administering the rights of composers, authors and music publishers while the Neighboring Rights Agencies are responsible for administering the rights of the performers and makers or master owners of sound recordings.

#### How does the Premier Muzik International collect revenues?

- We collect revenues from many sources including record stores, restaurants, theatres,

clubs, radio stations and hotels, Satellite radio services (SIRIUS-XM), Cable and Satellite TV transmissions, subscription services (DMX, Music Choice and Muzak), etc. All payments are split between performers and producers. We also collect on blank audio levies and Private Copying, this was created to receive and re-distribute private copying tariff revenues. Manufacturers and importers of blank audio recording media are responsible for paying the private copying levy. Here is a diagram that better helps to explain the shares on these types of royalties.

#### **A brief description of Canada's Neighboring Rights and Private Copying:**

- Equitable remuneration is based on SOCAN's tariff to collect from commercial radio in Canada. Stations pay a percentage of their gross advertising revenues to "Re:Sound" (formerly NRCC) a Canadian non-profit music licensing company dedicated to obtaining fair compensation for artists and record companies for their performance rights. The monies collected are then split 50/50 between the Performer collective societies (ACTRA PRS, AFM and ARTISTI) and the Label or Maker collective societies (AVLA and SOPROQ). Based on a listening sample, these monies are then paid out to performers who appear on eligible titles.

#### **Who is eligible to receive Neighboring Rights payments?**

- The Copyright Act details the conditions of eligibility for Neighboring Rights. Essentially, a sound recording is eligible if its maker is an individual who is a citizen or permanent resident of a qualifying country or of a Rome Convention country (see below), or if the maker's corporation is headquartered in a qualifying country or in a Rome Convention country, or if all the fixations for the sound recording occurred in a qualifying country or a Rome Convention country. The current Qualifying Countries are: Albania, Algeria, Andorra, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahrain, Barbados, Belarus, Belgium, Bolivia (Pluri-national State of), Bosnia, Brazil, Bulgaria, Burkina Faso, Canada, Cape Verde, Chile, Colombia, Congo, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Dominica, Dominican Republic, Ecuador, El Salvador, Estonia, Fiji, Finland, France, Georgia, Germany, Greece, Guatemala, Herzegovina, Honduras, Hungary, Iceland, Ireland, Israel, Italy, Jamaica, Japan, Korea (Republic of), Kazakhstan, Kyrgyzstan, Latvia, Lebanon, Lesotho, Liberia, Liechtenstein, Lithuania, Luxembourg, Mexico, Moldova (Republic of), Monaco, Montenegro, Netherlands, Nicaragua, Niger, Nigeria, Norway, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Russian Federation, Saint Lucia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Yugoslav Republic of Macedonia (The former), Togo, Turkey, Ukraine, United Arab Emirates, United Kingdom, Uruguay, Venezuela (Bolivarian Republic of), Viet Nam. The most significant absentee in this treaty is the United States of America. A performer's Neighboring Rights are dependent on the eligibility of the sound recording. If a sound recording is eligible, then so are the performers, regardless of the nationality or country of residence.

#### **What is the Rome Convention Treaty?**

- The 1961 Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations is an international treaty under which all above mentioned countries agree that their Neighboring Rights regulations will allow reciprocal treatment to rights-holders of other countries signatory to the Convention.

#### **Private Copying in Canada:**

- The private copying levy is revenue from the sale of blank recording media such as "CD-R's, CD-RW's, Tapes, Cassettes, etc. The monies collected are then forwarded to the Canadian Private Copying Collective (CPCC). Based on a split determined by the Copyright Board, these monies are shared between organizations representing Authors and Publishers (SOCAN, CMRRA and SODRAC) and the Re:Sound.

## Song Copyrights vs Neighboring Rights

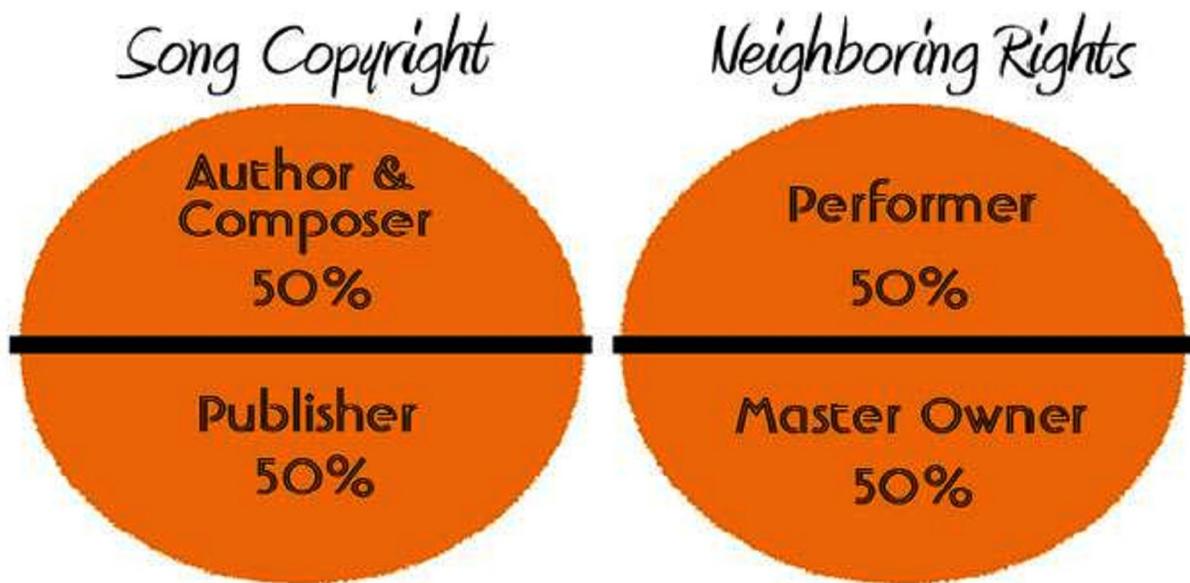
Regardless of what ever deal you have with iTunes or any Record Label, this does not affect any of the Neighboring Rights Royalties that Premier Muzik International will collect for you.

We collect these revenues from many sources and all this is for the performances of your songs that air in record stores or restaurants or theatres or clubs or radio stations, pubs or bars and/or hotels. All these Neighboring Rights payments are split between performers and master owners. We also collect Neighboring Rights on blank audio levies (CDR's, Blank tapes, etc.) and Private Copying. Manufacturers and importers of blank audio recording media are responsible for paying these private copying levies; this is standard practice in business today.

All performers of a song share this income but actual percentage splits vary between featured artist and non-featured artists and musicians. Any payments due from recording devices or remuneration arising from rental communications, public broadcasts, public performances, digital broadcasts, digital streaming (Sirius-XM, etc.) and cable transmissions for recorded performances will be collected by us and of course paid to you the performer.

All Neighboring Rights monies that we collect are generally separated equally between performer & master owner (see diagram below), in simple terms, just as there are 2 entities in the record world (Author/Composer & Publisher), there are 2 entities in the Neighboring Rights world (Performer & Master Owner).

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### Premier Muzik International Corp.

8272A Pascal Gagnon

Montreal, Quebec

H1P 1Y4, Canada

Tel: 1 514 327 7669

Fax: 1 514 327 8800

[www.premiermuzik.com](http://www.premiermuzik.com)

Gino Olivieri: [olivieri@premiermuzik.com](mailto:olivieri@premiermuzik.com)

Giorgio Crescenza: [crescenza@premiermuzik.com](mailto:crescenza@premiermuzik.com)

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# Panelist Bios

## **John-Paul Ellson**

SASK MUSIC / CMMIA

Chair of the Canadian Council of Music Associations (CCMIA) representing ten (10) provincial and territorial music industry associations with a combined registerer membership in excess of 5000 artists and music industry professionals. JP is also an Advisory Council Member of the Cultural Human Resource Council (CHRC) advising the Federal Government on the project “Culture in a Digital Economy”. Currently Saskatchewan Counsel for the Directors Guild of Canada; SaskMusic Chief Executive Officer and in-house legal counsel responsible for design and preparation of grant applications and adjudication of applications to programs offered by SaskMusic; Development of national and international marketing and export strategies for the sale of cultural products outside of Saskatchewan; Provision of pro bono legal advice to members respecting career-orientated intellectual property and corporate/commercial matters

JP's professional life includes experience and education in areas of music, film, labour law, government relations, tourism, etc. He has produced and created many notable events and awards shows such as Canada's Diversity Awards; The Canadian Comedy Awards and Festival; “The Year of the Creative Person” initiative for the Province of Saskatchewan. the GEMINI Awards, The JUNO Awards, The Western Canadian Music Awards, The Canadian Country Music Awards and The Aboriginal Music Initiative;

JP has received many awards during his illustrious career thus far such as Canadian Bar Association Community Service Award; Saskatchewan Centennial Medal; Western Canadian Music Industry Builder Award; Queen Elizabeth II Golden Jubilee Medal (for Community Involvement); City of Regina Mayor's Volunteer Award for Special Events, Volunteer of the Year (Saskatchewan Tourism Authority); JP is extensively engaged in numerous community and volunteer activities.

JP is a Graduate from UNIVERSITY OF SASKATCHEWAN – BACHELOR OF LAWS (1987); UNIVERSITY OF REGINA –MASTER OF ARTS IN POLITICAL SCIENCE (thesis incomplete) Thesis Topic: The Affect of Technological Change in Any information-Based Society, BACHELOR OF ARTS HONOURS CERTIFICATE and BACHELOR OF ARTS WITH DISTINCTION

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## **Teri Nelson Carpenter**

President

REEL MUZIK WERKS, LLC

Teri Nelson Carpenter is President of Reel MuzikWerks, LLC. A Full Service Music Publishing Company providing Global Writer & Publisher Administration, Licensing & Clearance and Music Supervision for all Media. RWM specializes in the international market with an emphasis on royalty collection & recovery for the Film/TV industry.

Formerly, Ms. Carpenter served as Senior Vice President, Saban Music Group. In this capacity, Ms. Carpenter was responsible for overseeing Saban's music business.

Previously, she was Senior Vice President, Music Administration for Fox Family Worldwide, and prior to that, for Saban Entertainment, Inc. Ms. Carpenter has been an integral part of the Saban music operations since 1995.

Before joining Saban, Ms. Carpenter served as a Music Administration & Production Executive at Metro-Goldwyn-Mayer.

Prior to that, she was the Director of Music at Academy Award Winning Indie Company, Hemdale Film Corporation.

Ms. Carpenter began her career at Broadcast Music Inc. in Film/TV relations.

Ms. Carpenter recently served as a two term President, and has been a long time board member of the California Copyright Conference.

Ms. Carpenter is a member of the Board of Directors of the Association of Independent Music Publishers and also a newly minted Board Member of the Copyright Alliance in Washington, D.C.

Ms. Carpenter holds a Bachelor of Music Degree in Vocal Performance and Composition from Cal State Long Beach where she graduated with honors. She has performed under the direction of the renowned vocal conductor Frank Pooler and in concert with Richard Carpenter and Symphony Orchestras across Southern California.

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## **Gino Olivieri**

President

PREMIER MUZIK INTERNATIONAL CORPORATION

Gino Olivieri started his music career back in 1976 as a Mobile DJ (1976 through 1985), and then in 1985 until 1995 DJ'd at various Montreal clubs.

Meanwhile in 1992, he started to consult for PolyTel/PolyGram and developed the most prominent and successful "CLUB" compilation series in Canada, with sales of this many collection exceeding 3 million copies (not bad for a country that has 30 million people!)

In April 1996, launched his first production and international record label "Finger Printz Records", and within a few years of licensing and releases abroad, Gino has developed an international network where he gained his current allies in Europe and Asia

In 2000, Gino embraced his long time friend and new associate Gino Crescenza and together started the Royalty Recovery business for publishing and Neighboring Rights. This simply started due to having issues with his own Finger Printz Records catalog and discovered within a few weeks that this service can help others with similar issues. He and Premier Muzik International offered this service to all of his career friends (i.e. Labels, publishers, Artist, musicians etc..) that he knew and collaborated with through the years.

In 2003 both Gino's directed heavily into the Neighboring Rights service, as there was a lack of great agents around the world to help such Labels, Artist & Musicians. Today Premier Muzik International represents over 800 clients (including; Lady Gaga, Red Hot Chilli Peppers, Lenny Kravitz, Scissor Sisters, David Guetta, Paul Anka, Gloria Gaynor, Kid Cudi, The Strokes. etc..) Gino's extensive knowledge and expertise in "Administration" as a "Publisher and as a Neighboring Rights agent has made much of a difference around the world and has collected nearly 9 million in royalties that would have mostly gone uncollected for many international artists and producers including many labels.

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## **Chad Richardson**

Creative Director

OLE'

As Creative Director, Chad is responsible for overseeing his roster of assigned writers and identifying new talent and catalog acquisitions, via both the Los Angeles and Toronto OLE offices. Chad is a great lover of everything pop culture and lives and breathes music. Coming from his own successful company, Arrive At Eleven Productions, Chad brings an extensive music industry background, including song plugging, songwriting/composing, as well as securing major label deals for various artists and sponsorship partnerships with Gibson USA, Converse, Planetary Group and Southern Comfort. Notable TV/FILM placements include hits such as The Hills, FAME and The Real World. Through his TV venture, LATO productions, Chad optioned his first TV property this past year with Temple Street Productions. As a former recording artist with Aquarius/EMI, an artist manager, producer and an actor with the Broadway production of the hit musical RENT, Chad has worked on almost all sides of the entertainment industry. Chad graduated from the ESCF Culinary School in Paris and majored in music through the Fine Arts Program at Concordia University.

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## **Paul Spurgeon**

General Counsel & Vice President, Legal Services

SOCAN

With over three decades as a lawyer in the music business, Paul Spurgeon is a member of the Canadian Bar Association, the Copyright Society of the U.S.A., and the American Federation of Musicians. He has also served as a member of the Copyright Legislation Committees (Policy) of the Intellectual Property Institute of Canada and the Canadian Bar Association. Previously, Paul served as Legal Counsel to CAPAC, one of SOCAN's predecessors, and as a law clerk to the Chief Judge of the County and District Courts of Ontario. In 1988, he was elected to the Legal Committee of CISAC and served as its Chair for several years. In 2011, Paul has been named as Trustee for the Copyright Society of the U.S.A. He has appeared before the Copyright Board, the Federal Court of Canada, the Supreme Court of Canada, the CRTC, and various parliamentary committees. He is a graduate of the Faculty of Law and the Richard Ivey School of Business Executive Program of the University of Western Ontario.