

Copyright Bill Introduction Applauded by Canadian Record Labels *Record Labels Urge Passage of Robust Digital Copyright Protection*

Toronto (June 2, 2010) – The Canadian Recording Industry Association (CRIA) and Canadian Independent Music Association (CIMA) today welcomed the introduction of copyright reform legislation in Parliament.

The organizations, which together represent Canadian independent and major music companies of all sizes, thanked the government for taking this important step to modernizing Canada's Copyright Act.

"We are pleased that the government not only has recognized the need for copyright reform, but is now taking action," said Duncan McKie, President and CEO, CIMA. "Canada's independent record labels, and the artists they represent, need better protection from online piracy to build a successful digital music market."

"We thank the government for taking this step to protect the right of artists and other rights holders to earn a living from their work," said Graham Henderson, President, CRIA. "We are witnessing the emergence of thriving, legitimate online markets in other countries that have implemented robust copyright rules. With the right rules here, there is no reason Canada could not follow the same path."

The Need for Clear Online Rules

There is an urgent need in Canada for clear copyright rules in the online environment, not only for music but for all the creative industries. Retail music sales in Canada have declined by more than half since the advent of widespread online music downloading just over a decade ago. According to IFPI, the international music industry association, recorded music sales in Canada recorded one of the sharpest drops among the world's top 10 music markets between 1999 and 2009. Here, sales continue to decline rapidly in the absence of legal clarity about the legitimacy of peer-to-peer Internet downloading. In contrast, some other music markets such as the UK, Sweden and Australia last year saw a return to growth.

Canada was recently cited by IFPI as one of the only developed countries "not to have implemented international copyright treaties agreed over a decade ago". IFPI's 2010 Recording Industry in Numbers report noted that a "disproportionate number of illegal sites are hosted on Canadian soil."

Legal clarity is needed to send a signal that downloading music from the Internet without payment is not allowed. Stronger rules are also needed to rein in Canadian-based peer-to-peer websites which, according to IFPI, have become "a major source of the world's piracy problem".

Copyright Rules for the Digital Age

CIMA and CRIA seek the passage of balanced digital copyright amendments that embody the following principles:

- The rights of artists and other rights holders must be better protected in the online world. Creators have the right to earn a living from sales of their work and to be protected from theft and unauthorized use of their property over the Internet.
- Consumers should be able to fully enjoy the music and other digital products they legally acquire.
- Innovation should be facilitated and encouraged so that consumers gain the same wide variety of digital choices to obtain and enjoy music in Canada as in other countries that have implemented modern copyright rules. Entrepreneurs are more likely to invest in innovation when

their rights to those innovations are adequately protected.

- Canada should be placed on a level playing field with its major trading partners around the world that have implemented the 1997 World Intellectual Property Organization (WIPO) Internet treaties, to which Canada is a signatory.

CRIA and CIMA will comment on provisions of the Bill at a later date, following a detailed review.

About the Canadian Independent Music Association

The Canadian Independent Music Association (CIMA) is the trade organization representing the independent sector of the Canadian music and sound recording industry. For 30 years CIMA has been the collective voice of independent music in English-speaking Canada.

About the Canadian Recording Industry Association

The Canadian Recording Industry Association (CRIA) promotes the interests of Canadian record companies.

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