

TABLE OF CONTENTS

Acknowledgements	v
Preface	vii
Table of Cases.....	xxxiii

CHAPTER 1: COPYRIGHT

Introduction.....	1
1. BASIS AND SCOPE	2
(a) Outlined.....	2
(i) Major Characteristics	2
(ii) Economic Copyrights.....	3
(b) Acquiring Copyright.....	4
(i) Qualified Persons	4
(ii) Originality.....	4
(iii) Fixation	5
(c) Registration.....	6
(i) Canada	6
A. Generally.....	6
B. Problems with the Registration System.....	7
(ii) Note on U.S. Law.....	8
A. Copyright Notices.....	8
(1) Generally.....	9
(2) Sound Recordings	9
B. Registration	9
C. Deposit.....	10
(d) Assignments and Licences	10
(i) General	10
(ii) The Creative Commons	11
(e) Reversion.....	12
(i) Under the Act.....	12
(ii) By Contract	13
(f) Minors	13
(g) Moral Rights.....	13
(i) Paternity Right.....	14
(ii) Integrity Right	14
(iii) Assignment and Waiver.....	15
(iv) Infringement	15
(v) Term of Protection.....	15
(h) Other Aspects of Copyright	16
(i) Droit de Suite	16
(ii) Public Lending Rights.....	16
(iii) Exemption for “Ephemeral” Recordings.....	16
(iv) Neighbouring Rights.....	17

A.	Performer's Performances.....	17
B.	Sound Recordings.....	20
C.	Right to Remuneration.....	22
(1)	Generally.....	22
(2)	Royalties	23
D.	Rights of Broadcasters.....	23
E.	Neighbouring Rights, Generally	23
(v)	Blank Audiotape and Private Copying.....	24
2.	MUSICAL WORKS	25
(a)	A Discussion	25
(i)	The Status of Songs under the Copyright Act.....	26
(ii)	Song Titles	27
(b)	Ownership.....	27
(i)	Generally.....	27
(ii)	Compilations	28
(iii)	Contractual Relationships.....	29
(iv)	A. Commissioned Works.....	29
(iv)	B. Crown Works	30
(iv)	Derivative and Infringing Works	30
(iv)	A. Derivative Works.....	30
(iv)	B. Infringing Works	31
(v)	Legal Entities	31
(c)	Duration of Ownership	32
(i)	General Rule and Public Domain	32
(ii)	Joint Works.....	32
(iii)	Posthumous Works.....	32
(iv)	Crown Copyright.....	33
(v)	Anonymous and Pseudonymous Works	33
3.	SOUND RECORDINGS	33
(a)	Generally.....	33
(b)	Maker	34
4.	AUDIOVISUAL PRODUCTIONS	35
(a)	Music Videos	35
(b)	The Video Soundtrack	37
(c)	Music Videos – Other Elements	37
5.	OTHER WORKS.....	38
(a)	Choreography.....	38
(b)	Music and Computers	38
(c)	Music and Multimedia.....	39
(d)	Music and the Internet.....	40
(i)	Generally.....	40
(ii)	Downloading	41
(iii)	Streaming.....	42
(iv)	Song Previews	42
(v)	Ringtones	42
(vi)	Cloud Computing	43

(vii) Derivative Works.....	44
(viii) Distribution.....	44
(ix) Jurisdictional Issues.....	45
(x) Rights Clearance – Current Practice.....	46

**CHAPTER 2: COPYRIGHT ADMINISTRATION
AND THE REGULATION OF MUSIC IN MEDIA**

Introduction.....	47
1. ASSIGNING AND LICENSING COPYRIGHT IN MUSICAL WORKS.....	47
(a) Voluntary.....	48
(i) Assignments	48
(ii) Performing Rights.....	48
(iii) Reproduction and Publication Rights	48
(b) Compulsory.....	48
(c) Mechanical Rights	49
(i) Canadian Industry Standard Rate	49
(ii) Note on U.S. Mechanical Rate	50
(iii) Sound Recordings.....	50
(iv) Synchronization Rates.....	51
(d) Audiovisual Recordings.....	51
(i) Licences Required.....	51
A. Synchronization Licence	52
B. Master Use Licence	53
C. Mechanical Licence	53
D. Other Rights	53
(e) Motion Pictures and Television	54
2. COLLECTIVE ADMINISTRATION OF COPYRIGHT.....	55
(a) Collective Societies	55
(i) Performance in Public and Communication to the Public by Telecommunication	56
(ii) Rights under Sections 3, 15, 18 and 21	56
(b) Retransmission Rights	57
3. COPYRIGHT ADMINISTRATORS.....	58
(a) Music Publishers	58
(b) Reproduction Rights	58
(i) Generally.....	58
(ii) CMRRA	59
A. Domestic Role, Purpose and Functions.....	59
(iii) SODRAC	60
A. Generally.....	60
B. The SODRAC Agreement.....	61
(iv) CMRRA-SODRAC INC.....	61
A. Online Tariff.....	62
(c) Performing Rights — SOCAN	63
(i) Generally.....	63

(ii) The SOCAN Agreement	63
(iii) SOCAN's Functions.....	64
(iv) Membership Requirements	65
(v) Private Copying	65
(vi) Telecommunication of Music on the Internet	65
(d) Other Relevant Administrators.....	66
(i) CONNECT music licensing.....	66
(ii) Access Copyright and COPIBEC	67
(iii) Retransmission Collectives.....	69
(iv) Re:Sound.....	70
(v) Canadian Private Copying Collective	71
(vi) Other Collectives.....	71
4. THE COPYRIGHT BOARD	71
(a) Generally	71
(b) Musical Works Performed in Public or Communicated to the Public by Telecommunication	72
(c) Retransmission Rights	73
(d) Reproduction Rights, Performance Rights, Remuneration Rights, and the Rights of Broadcasters.....	73
5. THE CRTC	74
(a) An Overview.....	74
(b) Canadian Content	75
6. NOTE ON SOCIAL MEDIA LEGAL ISSUES	77
(a) Generally.....	77
(b) Copyright Infringement.....	77
(c) Trade-mark Infringement	78
(d) Defamation	78
(e) Privacy Rights.....	78

CHAPTER 3: MUSIC PUBLISHING

1. AN OVERVIEW.....	79
(a) Defined.....	79
(i) Business.....	79
(ii) Legal.....	80
(b) Music Publishers	80
(i) Functions	80
A. Creative	80
B. Promotional.....	80
C. Business.....	81
D. Administrative	82
E. Advocacy	82
(ii) Classes of Music Publishers.....	83
A. Legitimate.....	83
B. Song Sharks	84

TABLE OF CONTENTS

xiii

(c) Main Copyrights and Revenue Sources.....	85
(i) Performing Rights.....	85
(ii) Mechanical Rights	86
(iii) Synchronization Rights	86
(iv) Print Rights	87
(v) Subsidiary Rights	87
(d) Types of Music Publishing Contracts.....	88
(i) Composer-Publisher	88
(ii) Administrative Publishers	89
A. Co-publishing	89
B. Administration	90
C. Sub-publishing.....	90
D. Participation	91
E. Sale of Publisher's Catalogue	91
F. Other Contracts.....	91
2. COMPOSER-PUBLISHER SINGLE SONG AND EXCLUSIVE TERM	
CONTRACT DISCUSSION.....	92
(a) Generally	92
(b) Composer's Obligations	92
(i) Joint and Several.....	92
(ii) Assignment of Copyright/Employment/Work For Hire	92
(iii) Non-assignment of Obligations	94
(iv) Grant of Rights	94
A. Generally.....	94
B. Tied Deals.....	95
C. Territory.....	95
D. Controlled Compositions	95
E. Collaboration.....	96
F. Renewals and Extensions.....	97
G. Exclusivity	98
H. Alterations/Moral Rights.....	98
I. Unspecified Uses.....	99
(v) Grant of Other Rights	99
A. Power of Attorney.....	99
B. Personality	100
C. Options	100
(vi) Representations and Warranties.....	101
(vii) Indemnity.....	101
(c) Music Publisher's Obligations.....	102
(i) Advances	102
(ii) Royalties/Net Income	104
A. Piano or Vocal Copies	105
B. Folio and Print Income.....	106
C. Mechanical and Performing Rights	106
D. Foreign Income/"At Source"	106
E. Synchronization Licensing Income	107

F.	Professional Copies	108
G.	Unspecified Uses.....	108
H.	Collaboration.....	108
I.	Reserves	108
(iii)	Accounting and Audit.....	109
(iv)	Cross-collateralization	110
(v)	Ownership of Professional Copies	110
(vi)	Reversion	111
	A. Failure to Account or Allow an Audit	111
	B. Failure to Exploit	111
	C. Bankruptcy.....	112
	D. By Contract and Under the Act.....	113
(vii)	Infringement Actions.....	113
(d)	General Provisions.....	113
(i)	Governing Law	113
(ii)	Prior Contracts	114
(iii)	Term and Options/Reversion	114
(iv)	Termination	115
(v)	Default and Cure	115
(vi)	Independent Legal Advice.....	115
(vii)	Miscellaneous	116
3.	MUSIC PUBLISHING CONTRACTS: THE MAJOR TYPES.....	116
(a)	Co-publishing.....	116
(i)	Generally.....	116
(ii)	Negotiable Elements.....	117
(b)	Participation.....	118
(i)	Co-publishing and Participation Agreement Compared.....	118
(ii)	Generally.....	118
(c)	Administration.....	119
(i)	Generally.....	119
(ii)	Negotiable Elements.....	120
(d)	Sub-publishing.....	121
(i)	Generally.....	121
(ii)	Negotiable Elements	122
(iii)	Specific Problems with Sub-publishing Agreements.....	123
(e)	Sale of Music Publisher's Catalogue.....	124
(i)	Generally.....	124
(ii)	Evaluation	126
(iii)	Purchase Price	126
(iv)	After Sale.....	127

CHAPTER 4: COPYRIGHT INFRINGEMENT

1.	TWO MAIN TYPES.....	129
2.	DIRECT INFRINGEMENT OF COPYRIGHT	130
(a)	Substantial Reproduction	130
(i)	Digital Sampling.....	131

(b) Access	136
(i) Subconscious Copying	136
(ii) Plagiarism and Music	136
A. Authorship and Ownership	136
B. Substantial Copying	137
C. Access	138
D. Independent Creation	138
(c) "Common Law" Copyright and Evidence of Ownership	138
(d) By Recording Music.....	139
(i) Sound Recordings.....	139
(ii) Audiovisual Recordings (Videos, DVDs, etc.)	139
(e) Performing in Public.....	140
(f) Communication by Telecommunication	141
(g) The Retransmission Right.....	142
(h) Publication	143
(i) Publishing Unpublished Music	143
(ii) Authorizing Acts of Infringement	143
(j) Neighbouring Rights.....	146
(i) Performer's Performances.....	146
(ii) Sound Recordings	146
(k) Other Types of Direct Infringement	147
(i) Arranging and Adapting Music	147
(ii) Converting Music into a Dramatic Work or Converting a Dramatico-Musical Work into a Non-dramatic Work	147
(iii) Translating Lyrics	148
(l) Films	148
3. SECONDARY INFRINGEMENT.....	148
(a) Generally.....	148
(i) Knowledge	149
(ii) Onus of Proof	150
(b) Sell or Rent Out, Expose or Offer for Sale	150
(c) Distribution.....	150
(d) Importation.....	151
(e) Public Performance for Profit	152
(f) Lessons	153
(g) Provision of Services.....	153
4. REMEDIES.....	154
(a) Civil Remedies	154
(i) Generally.....	154
(ii) Injunctions.....	155
A. Interlocutory Injunctions	155
B. Permanent Injunctions	156
C. Anton Piller Orders.....	156
D. Mareva Injunctions	158
(iii) Damages.....	158
A. Generally.....	158

B.	Exemplary and Punitive Damages.....	159
C.	Defendant's Profits.....	161
(iv)	Other Remedies	161
(v)	Statutory Damages.....	162
(vi)	Limitation Period	164
(b)	Criminal Remedies	164
(i)	Under the Copyright Act	164
(ii)	Under the Criminal Code.....	166
5.	CIVIL DEFENCES AND ACTS NOT CONSTITUTING INFRINGEMENT ...	166
(a)	Civil Defences	166
(i)	Generally.....	166
(ii)	Innocence	167
(b)	Acts Not Constituting Infringement.....	167
(i)	Fair Dealing	167
	A. Fair Dealing for the Purpose of Research, Private Study and Education	168
	B. Fair Dealing for the Purpose of Parody or Satire.....	169
	C. Fair Dealing for the Purpose of Criticism.....	170
	D. Fair Dealing for the Purpose of News Reporting	170
(ii)	Other Exemptions.....	171
	A. Agricultural Exhibitions, Religious, Fraternal and Educational Institutions.....	171
	B. Radio Performances in Places other than Theatres	171
	C. Ephemeral Recordings	172
	D. Non-commercial User-generated Content	172
	E. Reproduction for Private Purposes	173
	F. Time Shifting.....	174
	G. Format Shifting	175
	H. Other Exceptions	175
(iii)	No Copyright Protection	176
(iv)	Technological Protection Measures	176
6.	INFRINGEMENT OF MORAL RIGHTS	177

CHAPTER 5: LABOUR

1.	THE AMERICAN FEDERATION OF MUSICIANS OF THE UNITED STATES AND CANADA.....	179
(a)	Objects.....	180
(b)	Membership	180
(c)	Structure and Jurisdiction.....	180
(i)	International.....	180
(ii)	Locals	181
(d)	Functions.....	181
(i)	Member Services	182
	A. Insurance	182
	B. Trust Funds.....	182
	C. Other Services	184

(ii)	Dispute Resolution.....	185
	A. Member Claims Against Other Members	185
	B. Member Claims Against Engagers	186
(iii)	Regulation of Members.....	187
	A. Tariff of Fees.....	187
	B. Licensed Booking Agents	187
	C. Field Services Representatives.....	187
	D. Unfair Lists	188
	E. Travelling Musicians.....	188
	F. Transfer Membership.....	189
(iv)	Lobbying.....	189
(e)	AFM Agreements	189
(i)	International.....	190
	A. Generally.....	190
	B. Recording	190
	C. Broadcasting Agreements.....	192
	D. Film	194
	E. Legitimate Theatre	196
(ii)	National	196
(iii)	Local and Individual	196
	A. Generally.....	196
	B. Types of Contracts.....	197
(f)	Legal Status.....	198
(i)	Canada	198
(ii)	United States.....	198
(g)	Legal Capacity.....	199
(i)	To Sue or Be Sued in its Own Name	199
(ii)	Collective Agreements Unenforceable at Common Law.....	200
(h)	Common Law Actions	201
(i)	Restraint of Trade.....	201
(ii)	Conspiracy	202
(iii)	Intimidation.....	203
(iv)	Inducing Breach of Contract.....	203
(v)	Breach of Contract and Ultra Vires.....	204
(i)	Competition Act	205
	(i) Possible Offences.....	205
	(ii) Defences.....	206
(j)	Review by the Court.....	206
(k)	Other Relevant Legislation	207
	(i) Federal	208
	(ii) Quebec.....	209
2.	OTHER RELEVANT ORGANIZATIONS.....	210
(a)	ACTRA	210
(b)	Actors' Equity.....	210

CHAPTER 6: AGENTS AND MANAGERS

1. OVERVIEW	213
(a) Agents and Managers Distinguished	213
(b) Role of Personal Representatives.....	213
(i) Booking Agents	213
(ii) Lawyers.....	214
A. Generally.....	214
B. Conflict of Interest.....	215
(iii) Accountants	215
(iv) Publicists	216
(v) Managers.....	216
A. Personal	216
B. Business.....	217
C. Road.....	217
(vi) Summary.....	217
2. BOOKING AGENTS AND THE AMERICAN FEDERATION OF MUSICIANS OF THE UNITED STATES AND CANADA (“AFM”).....	218
(a) AFM Exclusive Agent-Musician Agreement	218
(b) Non-union Agent Agreements.....	220
(c) National: Booking Agent Agreement for Use in Canada.....	221
(d) AFM Bylaws	222
(e) Booking Agents as Personal Managers: The AFM Personal Management Agreement	223
3. THE PERSONAL MANAGEMENT AGREEMENT	223
(a) General Comments	223
(i) Legal Relationship.....	223
(ii) Business Relationship.....	225
(iii) Trial Basis.....	225
(iv) Definitions	225
(v) Independent Legal Advice.....	226
(vi) No Partnership	227
(vii) Compensation	227
(b) Exclusivity.....	227
(i) Musician.....	227
(ii) Manager.....	227
(c) Manager’s Services.....	228
(d) Manager’s Authority.....	229
(i) Scope.....	229
(ii) Limitations.....	230
(iii) Power of Attorney.....	230
A. General	230
B. Coupled with an Interest	231
(e) Manager’s Compensation	232
(i) Commission	232
A. Gross	232
B. Net.....	233

C.	Reduction	234
D.	Exclusion	234
E.	Continuing Commissions	234
(ii)	Time of Payment	236
(f)	Finances	236
(i)	Expenses	236
(ii)	Loans.....	237
(g)	Group Provisions	237
(i)	Name.....	237
(ii)	Leaving or Joining Members	238
(iii)	Joint and Several Obligations.....	238
(h)	Key Person and Assignment.....	238
(i)	Representations, Warranties and Indemnity	239
(j)	Term and Options/Performance Obligations.....	239
(k)	Important General Provisions.....	240
(i)	Accounting and Audit.....	240
(ii)	Arbitration	241
(iii)	Termination	241
(l)	Note on Co-management Agreements.....	242

CHAPTER 7: LIVE PERFORMANCE

1.	OUTLINED.....	243
(a)	A Definition	243
(b)	Types.....	243
(c)	Occupational Characteristics.....	244
(d)	Entities Involved	244
(i)	The American Federation of Musicians of the United States and Canada	245
(ii)	Booking Agent.....	245
(iii)	Personal Manager.....	245
(iv)	Promoter.....	246
(v)	Engager.....	246
(vi)	Publicist.....	246
(vii)	Sponsor	246
(viii)	Merchandiser.....	247
2.	CONTRACTS.....	247
(a)	AFM	248
(b)	Riders	248
(c)	Provisions of a Non-AFM Contract.....	249
(i)	Parties.....	249
(ii)	Basic Terms	249
(iii)	Payment	249
	A. Generally.....	249
	B. Specific Example.....	250
(iv)	General Provisions.....	251

(d) Musician's Rider Provisions	252
(i) Billing.....	252
(ii) Advertising and Promotion/Merchandising.....	252
(iii) Tickets.....	253
A. Manifest	253
B. Complimentary	253
C. Discounts	253
D. Scale	253
E. Time and Place.....	254
F. Other Specifications.....	254
(iv) Production Equipment	254
(v) Production Personnel	254
(vi) Security.....	255
(vii) Rehearsal and Sound Check.....	255
(viii) Cancellation.....	255
(ix) Note on U.S. Law.....	256
(x) Insurance	257
(xi) Recordings.....	257
(xii) Supporting Act	257
(xiii) Benefits	257
(xiv) Permits	258
(xv) Miscellaneous	258
(e) Promoter's Rider	258
(i) Restrictive Covenants	258
(ii) Control of Production.....	259
(iii) Injunctions and Nuisance.....	259
(iv) Miscellaneous	259
(v) Ticket Scalping.....	260
(f) Overview of Other Relevant Agreements.....	260
(i) Agreements with Other Musicians	260
(ii) Transportation Agreement	261
(iii) Sound and Lighting Agreement.....	261
(iv) Sponsorship Agreement	261
(v) Other Agreements.....	261
3. LEGAL ISSUES	262
(a) Rights Concerning Live Performances	262
(i) Copyright	262
(ii) Contracts.....	262
(iii) Postering	263
(b) The Audience's Rights	264
(c) "Immoral Theatrical Performances"	265
(i) Charter of Rights and Freedoms	265
(ii) Prohibition of "Immoral Theatrical Performances"	265
A. The Test	266
(iii) Nudity.....	267
(iv) Simulating Sex.....	268

(d) House Concerts	268
(e) Travelling Musicians	269
(i) AFM Bylaws	269
(ii) Customs Issues.....	270
A. Leaving Canada.....	270
B. Returning to Canada.....	271
C. Note on U.S. Customs.....	272
(iii) Immigration.....	273
(iv) Note on U.S. Immigration Law	273

CHAPTER 8: RECORDING

1. RECORD COMPANIES.....	277
(a) Role and Object.....	277
(b) Functions.....	277
(i) Outlined.....	277
(ii) Production.....	278
(iii) Manufacturing.....	278
(c) Structure	279
(i) Artists and Repertoire (“A&R”).....	279
(ii) Legal and Business Affairs	280
(iii) Finance.....	280
(iv) Marketing, Promotion and Publicity.....	280
(v) Distribution and Sales.....	281
A. Physical and Digital.....	281
(d) Two Main Types	282
(e) Types of Agreements	283
(i) Generally.....	283
(ii) Production.....	283
(iii) Distribution.....	284
(iv) Licence of Record Masters.....	284
(v) Producer Agreement.....	284
A. The Producer’s Role	284
B. Generally.....	285
(vi) Video Production Agreement	285
(vii) Master Use Licence	286
(viii) Master Purchase/Sale Agreement.....	286
2. EXCLUSIVE TERM RECORD CONTRACT.....	287
(a) Musician’s Rights and Obligations	287
(i) Generally.....	287
(ii) Exclusive Personal Services.....	287
(iii) Representations, Warranties, Indemnity.....	288
(iv) Definitions	289
A. Record.....	290
B. Master/Outtakes	290
C. Recording	291

D.	Album	291
E.	Territory.....	291
F.	Term.....	291
G.	Recording Costs	292
H.	Royalty Rates.....	292
I.	Other.....	292
(v)	Contracting Entity/Personal Liability/Joint and Several Obligations.....	293
(vi)	Personality Rights/Merchandising Rights.....	294
(vii)	Artistic/Creative Control.....	295
A.	Producer	295
B.	Material.....	295
C.	Quality.....	296
D.	Merchandising and Artwork.....	296
(viii)	Assignment	297
(b)	Record Company's Rights and Obligations	297
(i)	Generally.....	297
(ii)	Payment	298
A.	Generally.....	298
B.	Advances	298
(1)	Generally.....	298
(2)	Minimum/Maximum Formula.....	299
(3)	Label Advances/Licence Advances	299
(4)	Miscellaneous/Tour Support.....	301
(iii)	Commitment	301
A.	Product	301
B.	Release	302
C.	Promotion, Advertising and Publicity.....	303
D.	Tour Support.....	304
E.	Recording and Video Budgets.....	304
F.	Websites	305
(iv)	Recordings.....	305
A.	Costs.....	305
B.	Number/Overcalls	306
C.	Location.....	307
D.	Sessions	307
E.	Pay or Play.....	308
F.	Special.....	308
G.	Re-recording Restriction.....	309
H.	Masters	309
(v)	Royalties	310
A.	Domestic and Foreign Base	310
B.	Records/Sales Configurations.....	312
C.	New Technologies	312
D.	Record Club.....	313
E.	Promotional/Free Goods	313

F.	Special	313
G.	Budget/Premium/Mid-price	314
H.	Institutional/TV Sales.....	314
I.	Deletes	314
J.	Videos.....	315
K.	Offstage/Website Sales	316
L.	Master Use Licences.....	316
(vi)	Packaging Deductions.....	316
(vii)	Computation of Record Royalties	317
	A. Generally.....	317
	(1) Physical.....	317
	(2) Digital.....	318
	B. Coupling	319
	C. Joint Performances	319
(viii)	Cross-collateralization	319
(ix)	Controlled Compositions.....	320
(x)	Important General Provisions	322
	A. Accounting, Payment	322
	B. Reserves	323
	C. Audit	323
	D. Term and Options	324
(xi)	Other Considerations	324
	A. Leaving Members	324
	B. Credits.....	326
	C. Foreign Release	326
	D. Distribution	326
	E. Copyright Revision	327
	F. Force Majeure	327
	G. Default and Cure	328
	H. Suspension	328
	I. Termination	329
3.	OTHER CONTRACTS	329
(a)	Production Agreement.....	330
	(i) Generally.....	330
	(ii) Recoupment/Off-the-top.....	331
(b)	Video Production Agreement.....	333
	(i) Generally.....	333
	(ii) Key Points to Consider.....	334
	(iii) Underlying Rights	334
	(iv) Provisions of the Agreement	335
	A. Video Producer's Services.....	336
	B. Video Producer's Compensation	336
	C. Costs	336
	D. Failure to Deliver	337
	E. General Provisions	337

(c) Producer Agreement.....	338
(i) Generally.....	338
(ii) The "Spec" Deal	338
(iii) The Producer's Agreement with a Record Company	341
A. Generally.....	341
B. Producer's Services	342
C. Over-budget.....	343
D. Payment	343
E. Credit	347
F. Acceptance of Masters	347
(iv) Inducement Letter.....	348
(d) Record Master Agreements.....	349
(i) Master Use Licence	349
A. Generally.....	349
B. Points to Consider.....	350
(ii) Master Purchase/Sale Agreement.....	351
A. Generally.....	351
B. Points to Consider.....	351
(iii) Licence of Record Masters Agreement.....	352
A. Grant of Rights	352
B. Payment	353
C. Term/Termination/Options.....	354
D. General Provisions	354
(e) Distribution Agreement	355
(i) Generally.....	355
(ii) Points to Consider.....	357
(iii) Payment/Accounting/Reserves	360
A. Physical and Digital	360
(iv) Security Interest/Letters of Credit.....	361
4. 360 AND MULTI-RIGHTS AGREEMENTS	362
(a) General.....	362
(b) 360 Deals: Rights and Revenue Sources – The Percentage Breakdown	362
(c) 360 Deals: Conflicts of Interest.....	364
5. LABELLING, CREDIT AND NOTICES ON RECORDINGS.....	365
(a) Statute	365
(i) Copyright Notices.....	365
(ii) Trade-marks	366
A. Generally.....	366
B. Notices	366
(iii) Consumer Packaging and Labelling Act.....	366
(b) Agreement	368
(i) Credit	368
(ii) False Accreditation	369
(c) Industry Custom and Practice	370
(i) Industry Notices	370

(ii) Industry Codes.....	370
(iii) Warning Stickers.....	371
A. Generally.....	371
B. United States	371
C. Negligence and Obscenity.....	371
6. OTHER LEGAL ASPECTS CONCERNING RECORDINGS	372
(a) Model Releases	372
(b) Library and Archives of Canada Act.....	373

**CHAPTER 9: NAMES, TRADE-MARKS, LICENSING
AND MERCHANDISING**

1. OVERVIEW	375
(a) Names, Trade-marks and Other Identifying Attributes.....	375
(b) Name Selection.....	376
(c) Licensing and Merchandising	377
(d) Importance of Merchandising.....	378
(e) Endorsements.....	378
(f) Commercial Tie-ins	379
2. NAME SELECTION PROCESS	379
3. BASICS OF PROTECTION OF NAMES AND TRADE-MARKS	382
(a) Trade-mark Applications and Registrations.....	382
(b) Confirm Ownership.....	383
(c) Proper Trade-mark Use	384
(d) Use It or Possibly Lose It.....	386
(e) Principles Are Also Applicable to Other Trade-marks	387
4. DETAILED BASIS AND SCOPE OF LICENSING AND MERCHANDISING RIGHTS.....	387
(a) Name and Other Trade-marks.....	387
(i) General	387
(ii) Registered Trade-marks	388
A. Generally.....	388
B. Business Name Registration Distinguished	389
C. Domain Name Issues.....	390
D. Website Legal Issues	392
E. The Trade-mark Registration System.....	392
F. Grounds for Registration in Canada.....	393
G. Advantages of Trade-mark Registration	393
(1) Legal/Procedural Advantages	394
(2) Practical Advantages.....	395
H. Unregisterable and Prohibited Trade-marks.....	395
I. Persons Entitled to Registrations	397
J. Notices	398
K. Expungement.....	398
(iii) Unregistered Trade-marks and Passing Off.....	399
(iv) Trespass	402

(b) Copyrights	402
(i) Generally.....	402
(ii) Ownership.....	403
(c) Personality.....	403
(i) Generally.....	403
(ii) Misappropriation of Personality.....	404
5. LICENSING AND MERCHANDISING AGREEMENTS	405
(a) Names and Trade-marks.....	405
(i) Licence.....	405
(ii) Licensing Provisions.....	406
(iii) Assignment	406
(b) Personality.....	407
(i) Licence.....	407
(ii) Assignment and Devolution	407
(c) Contractual Issues.....	409
(i) Generally.....	409
(ii) Endorsements.....	413
(iii) Particular Merchandising Licence Agreements	414
A. Concert Venue.....	414
B. Retail Merchandising	414
6. ENFORCING LICENSING AND MERCHANDISING RIGHTS	415
(a) Trade-marks	415
(i) Infringement Actions	415
A. Generally.....	415
B. Jurisdiction	416
(ii) Other Trade-mark Causes of Action.....	417
A. Generally.....	417
B. Passing Off.....	418
C. Criminal Offences	419
D. Customs Act.....	420
(b) Personality Rights	420
(c) Other Causes of Action	420
7. SPECIFIC ISSUES: IMITATORS.....	421

CHAPTER 10: PERSONAL SERVICE CONTRACTS

1. NATURE.....	423
(a) Generally.....	423
(b) Defined.....	423
2. IMPORTANT LEGAL DOCTRINES APPLICABLE	424
(a) Restraint of Trade and Public Policy	425
(i) Public Policy: A Discussion	425
(ii) Restraint of Trade and Restrictive Covenants.....	425
(b) Unconscionability.....	427
(c) Inequality of Bargaining Power	427
(d) Undue Influence	428

(e) Specific Cases Involving Musicians.....	429
(i) Schroeder v. Macauley	429
(ii) Fleetwood Mac.....	430
(iii) Gilbert O'Sullivan.....	432
(iv) Elton John.....	433
(v) Frankie Goes to Hollywood	436
(vi) The Stone Roses	437
(vii) George Michael	439
(f) 360 Deals.....	442
(g) Personal Service Agreements in the Music Industry: Drafting Guidelines.....	443
3. REMEDIES FOR BREACH.....	448
(a) Between the Parties	448
(i) Damages.....	448
(ii) Specific Performance.....	449
(iii) Injunction	449
(iv) Specific Cases Involving Musicians.....	451
A. Individuals	451
B. Groups	453
(b) Third Parties	453
4. MINORS.....	454
(a) Beneficial Test.....	454
(b) Contract of Service	455
(c) Void and Voidable	456
(d) Other Relevant Issues.....	457
(e) The Kinks	457
5. NOTE ON CONFLICT OF LAWS.....	458
(a) Canada	458
(b) United States.....	459

CHAPTER 11: BUSINESS

1. BUSINESS ENTITIES.....	463
(a) Types of Business Entities.....	463
(b) Main Legal Characteristics.....	463
(i) Sole Proprietorship	463
(ii) Partnership	464
(iii) Corporation	464
2. FACTORS IN CHOOSING A BUSINESS ENTITY.....	465
(a) Generally.....	465
(b) Need to Limit Liability	465
(i) Generally.....	465
(ii) Corporate Aspects	466
(c) Persons Involved	467
(i) Number.....	467
(ii) Formal Structure	467

(iii) Active or Passive Participation	468
(iv) Citizenship, Residence	468
(d) Financial	470
(i) Borrowing	470
(ii) Ongoing Costs and Maintenance	470
(iii) Insurance	471
(iv) Fluctuating Income	471
(e) Tax	472
(i) General Comments	472
A. Sole Proprietors and Partnerships	472
B. Corporations	473
(ii) Personal Service Corporations	473
(iii) Family Members	474
(f) Other Factors	474
3. GROUP PARTNERSHIP AGREEMENT: KEY PROVISIONS	475
(a) Purpose	475
(b) Responsibilities	475
(i) Musician	475
(ii) Manager	476
(c) Contributions	476
(i) Money	476
(ii) Name	476
(d) Assets	477
(i) Name	477
(ii) Copyrights	477
(iii) Insurance	477
(iv) Equipment	478
(v) Other Assets	478
(e) Share of Profits	478
(i) Determination of Profit	478
(ii) Ratio	479
(f) Members' Provisions	479
(g) Dissolution	480
(i) Generally	480
(ii) Specific Issues	480
A. Recording Contract	481
B. Publishing Contract	481
C. Live Performance and Merchandising	481
D. Assets	482
E. Post-dissolution Income	482
(h) Term and Termination	482
(i) General Provisions	482
4. AGREEMENT WITH MUSICIAN FOR SERVICES	483
(a) Generally	483
(b) Services	483
(c) Term	484

(d) Compensation.....	484
(e) General Provisions.....	484
(f) Termination	485
5. BUSINESS NAME REGISTRATION	485
6. FAMILY LAW ISSUES.....	486
(a) Generally	486
(b) Structuring Agreements.....	487
7. FINANCING.....	489
(a) Generally.....	489
(b) Business Entities	491
(i) Sole Proprietorship	491
(ii) Partnership	491
A. Generally.....	491
B. Limited Partnership.....	492
(iii) Corporation	493
(c) Securities Issues	494
(i) Generally.....	494
(ii) Private Issuer.....	495
(iii) Family, Friends and Business Associates	495
(iv) Accredited Investor	496
(v) Minimum Investment Amount.....	496
(vi) Founder, Control Person and Family.....	496
(vii) Summary.....	497
(d) Funding Programs.....	497
(i) The Canadian Sound Recording Policy.....	497
A. New Musical Works Component	498
B. Collective Initiatives Component.....	498
C. Music Entrepreneur Component.....	499
(ii) FACTOR/Musicaction	499
A. Demo Recordings.....	500
B. Juried Sound Recordings.....	500
C. Comprehensive Artist	501
D. Comprehensive Music Company.....	501
E. Marketing and Promotion for Non-FACTOR	
Funded Sound Recordings.....	502
F. Live Performance.....	502
G. Business Development.....	503
H. Business Travel	503
I. Video	503
J. Loans and Grants	504
K. Jury System.....	505
(iii) MuchFACT.....	505
A. Eligibility Criteria	505
(iv) Ontario Music Fund	506
A. Generally.....	506
B. Music Company Development	506

C.	Music Industry Development	507
D.	Music Futures	507
E.	Live Music	507
(v)	Other Provincial Funding Programs.....	508
(vi)	Arts Council Funding.....	508
(vii)	Ontario Sound Recording Tax Credit	510
(e)	Crowdfunding.....	511
(i)	Generally.....	511
(ii)	Donation	512
(iii)	Investment	512
(f)	Sponsorship Agreements	513
(i)	Generally	513
(ii)	Types.....	514
(iii)	Terms to Consider.....	514

CHAPTER 12:TAX

Introduction	517
1. INCOME TAX.....	517
(a) Income Sources	517
(b) Basis for Taxation	518
(c) Legal Tests Related to Employee or Self-employed Status.....	519
(i) Contract of Service or Contract for Services	519
(ii) Reasonable Expectation of Profit.....	524
(d) Deductions	527
(i) Employees.....	527
(ii) Self-employment.....	528
A. Allowable Expenses.....	528
B. Not Allowable	531
(e) Assessment Appeals	532
(i) Generally.....	532
(ii) Proving Assessments Incorrect	532
2. THE INCOME TAXATION OF SPECIFIC TYPES OF INCOME AND PROPERTY.....	533
(a) Arts Council Grants and Prizes	533
(b) Copyright	534
(i) Generally.....	534
(ii) Foreign Copyright Royalties and Withholding Tax.....	536
(c) Trade-marks and Trade Names	536
(d) Record Masters and Videos.....	537
(i) Income Tax Aspects.....	537
(ii) Other Relevant Issues.....	539
(iii) Certification of Videotapes	539
A. Generally.....	539
B. Certification.....	539
C. Canadian Film or Video Production Tax Credit.....	541
D. Provincial Film and Video Tax Credits	541

TABLE OF CONTENTS

xxxi

3. RETAIL SALES TAX.....	542
4. AMUSEMENT TAX	543
5. U.S. TAX.....	543
6. TAX PLANNING.....	546
(a) Generally.....	546
(b) Some Trust, Estate, and Gift Suggestions.....	547
7. THE GOODS AND SERVICES TAX.....	548
(a) Generally.....	548
(i) Taxable Supply/Commercial Activity	548
(ii) Persons/Small Supplier	550
(iii) Invoices/Documentation.....	550
(iv) When Payable	551
(v) Business Expenses	551
(vi) Other General Aspects.....	551
(b) Specific Issues Concerning Musicians.....	552
(i) Employment Status	552
(ii) Membership Fees	553
(iii) Agency Relationships	553
(iv) Management Commissions.....	554
(v) Royalties/Advances/Reserves.....	554
(vi) Copyright Collectives	554
(vii) Musical Instruments.....	555
(viii) Music Lessons	556
(ix) Record Production Transactions.....	556
(x) Government fees	557

APPENDICES

Introduction to Appendices.....	559
Appendix 1: Copyright Administration	561
I. C.M.R.R.A.....	561
1. Mechanical Licence.....	561
II. SOCAN	562
1. Writer-Membership Agreement and Assignment of Performing Rights	562
2. Publisher-Membership Agreement and Assignment of Performing Rights	564
III. SODRAC.....	566
1. Affiliation Statement	566
Appendix 2: Music Publishing	567
1. Mechanical Licence Checklist	567
2. Synchronization Licence Checklist	569
3. Songwriter-Publisher Agreement Checklist	570
4. Administration Agreement Checklist.....	575

5.	Co-publishing Agreement Checklist.....	576
6.	Sub-publishing Agreement Checklist.....	578
7.	Sale of Catalogue Agreement Checklist.....	580
Appendix 3: Agents and Managers.....		582
I.	AFM Forms.....	582
1.	AFM Exclusive Agent-Musician Agreement.....	582
2.	AFM Personal Management Agreement and Power of Attorney	586
II.	Management	587
1.	Management Agreement Checklist.....	587
2.	Sample Exclusions From Management Commissions Checklist	590
Appendix 4: Live Performance		592
I.	AFM	592
1.	AFM Live Performance Contract for Canada.....	592
II.	Rider Checklist.....	594
1.	Live Performance Agreement Rider Checklist.....	594
Appendix 5: Recording		598
1.	Exclusive Term Recording Agreement Checklist	598
2.	Producer Agreement With Record Company Checklist	607
3.	Letter Of Direction For Producer Agreement Checklist	609
4.	Distribution Agreement Checklist.....	611
5.	Licence Of Record Masters Checklist	613
6.	Labelling, Credit And Notices On Recordings Checklist	615
7.	Master Purchase/Sale Agreement Checklist	618
8.	Music Video Production Agreement Checklist	620
9.	Master Use Licence Checklist.....	622
10.	Royalty Override Checklist.....	624
Appendix 6: Merchandising.....		626
1.	Endorsement Agreement Checklist	626
2.	Merchandising Licence Checklist	628
Appendix 7: Business.....		630
1.	Musical Group Partnership Agreement Checklist.....	630
2.	Agreement for Musician's Services Checklist	633
Index.....		635