



FILIPINO
SOCIETY OF
COMPOSERS
AUTHORS
AND
PUBLISHERS

Under our copyright law, a copyrighted song cannot be played publicly without the permission of the copyright owner/s.

(Sec 117.6, Intellectual Property Code)



The public playing of a song without the copyright owner's permission gives rise to **civil** and **criminal** liability for infringement.

(Sec 216-217, Intellectual Property Code)



So what does this mean for LGUs?

LGUs are not legally allowed to publicly play, or cause the public playing of, copyrighted music during their events (e.g., fiestas, foundation day, sportsfest, etc.) or in their offices unless they have secured the necessary public performance license.

**So what's the
problem...**

Compliance issue...



LGUs need to...

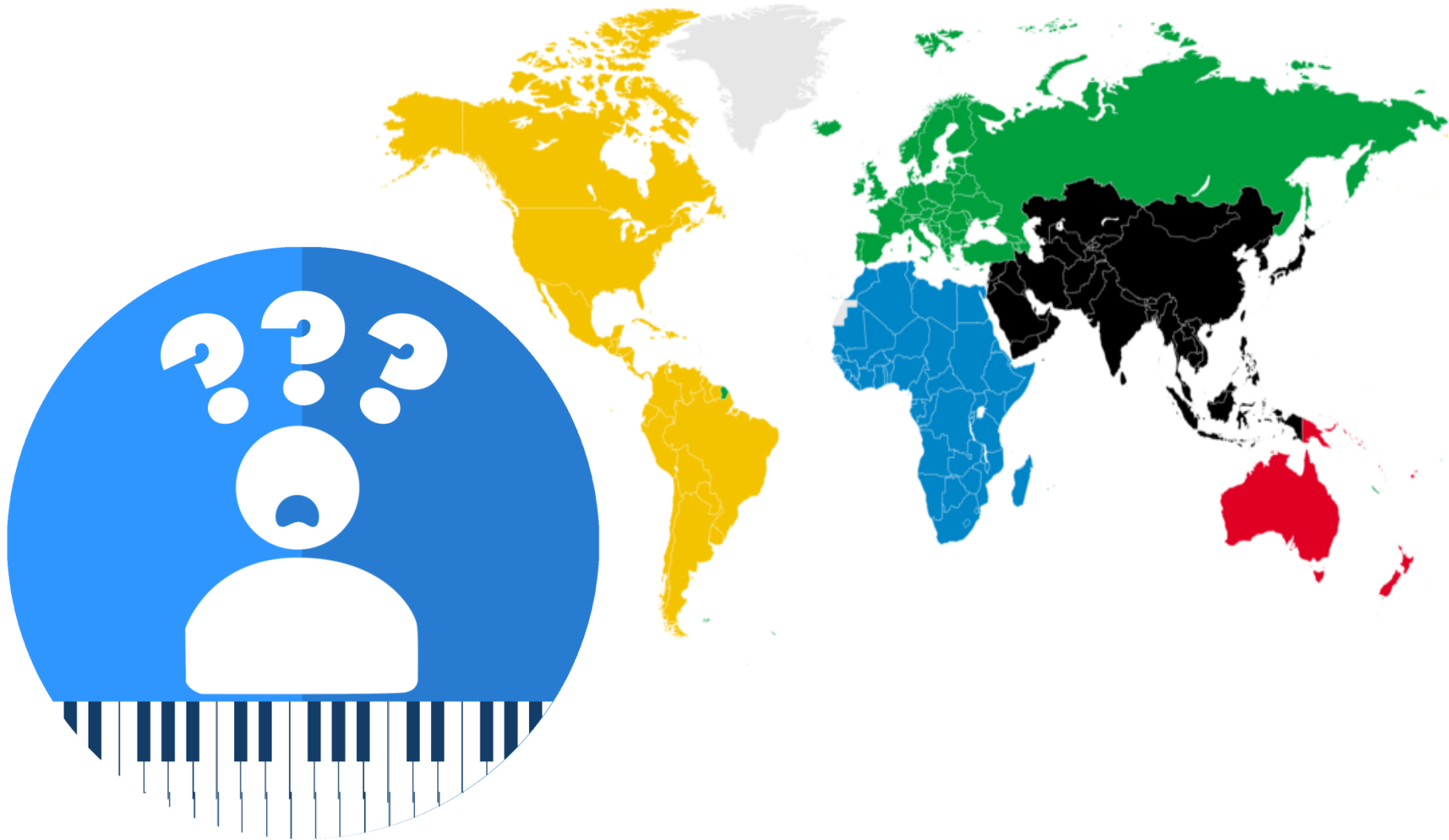
identify,

locate,

and seek the **PRIOR**
permission of

the copyright owner of **EACH**
COPYRIGHTED SONG they
want to play to the public.

Enforcement issue...



**FILSCAP fills
the gap...**

What is FILSCAP?

- association of composers, lyricists & music publishers
- established in 1965 (50 years)
- non-stock and non-profit organization
- member of the *International Confederation of Societies of Authors and Composers* (CISAC)
- 1000+ members; 40+ affiliate foreign societies
- duly **accredited by the government** (IPO) to operate as a CMO for music creators and copyright owners



Why deal with FILSCAP?

For Music Users:

To comply, or facilitate compliance, with the legal requirement that the public playing of copyrighted songs must be authorized by the copyright owner.

For Music Creators:

To effectively and efficiently enforce their “public performance right”.



What does FILSCAP do?



FILSCAP primarily acquires and collectively administers the “authorization rights” of music copyright owners with respect to the public playing and broadcast of their songs.

What does FILSCAP do?



FILSCAP then authorizes (through the issuance of a license) the public playing and broadcast of the songs under its repertoire.

How did FILSCAP acquire the “authorization rights”?

➤ Local Works



**Deed of
Assignment
1000+ Members**

Levi Celerio (+)
George Canseco (+)
Ryan Cayabyab
Vehnee Saturno
Jim Paredes

PolyEast-EMI
RGMA
Warner Chappell
Universal Records
Alpha Music

➤ Foreign Works



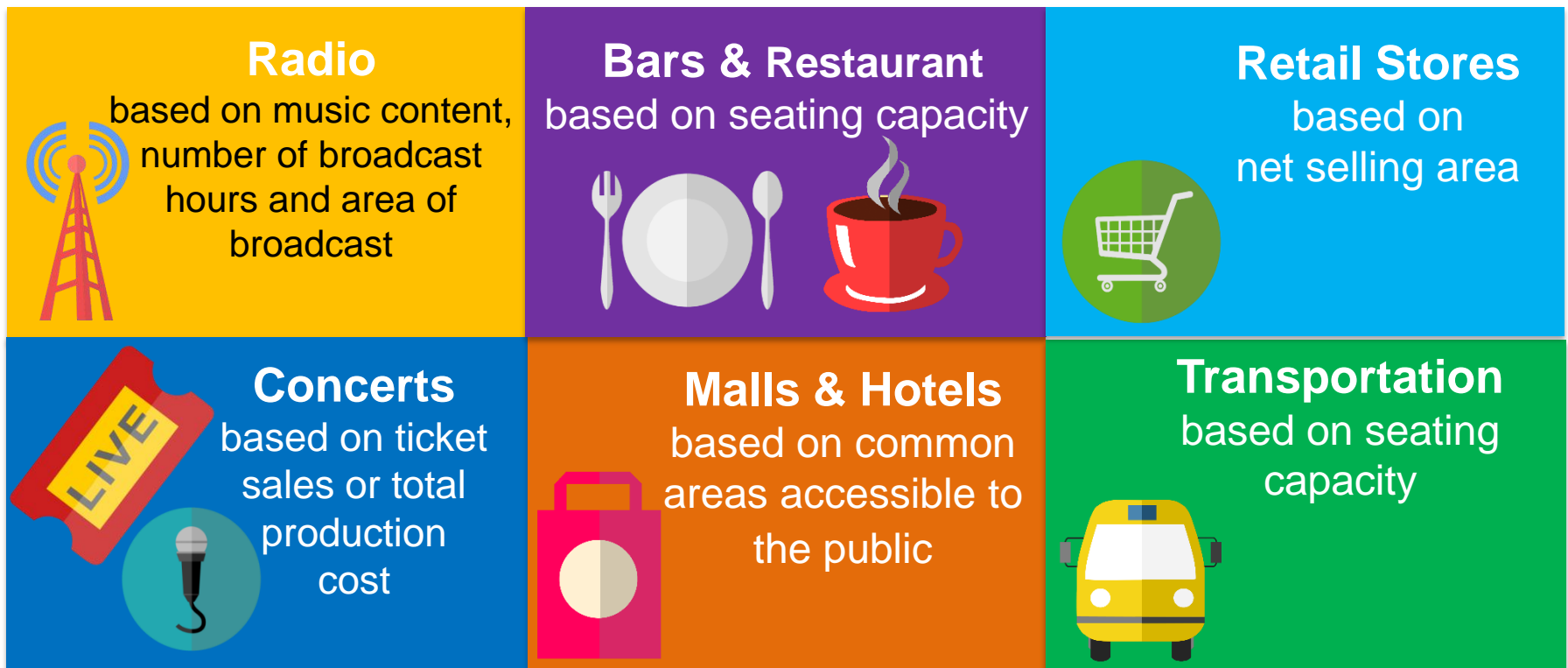
**Reciprocal
Agreement
40+ Foreign Affiliates**

ASCAP (US)
PRS (UK)
APRA (Australia)
JASRAC (Japan)
KOMCA (Korea)

SACEM (France)
MUST (Taiwan)
SIAE (Italy)
UBC (Brazil)
Etc.

How does FILSCAP assess the license fees ?

Objective standards are used to avoid inequitable assessments between music users of the same category.



Where do we get distribution data?



Collection of music usage data



Licensee Reports



FILSCAP Monitoring



FILSCAP Members' Monitoring



Automated (song-fingerprinting technology)

MANUAL

How do we allocate and distribute royalties?



Identification and matching of monitored and reported works



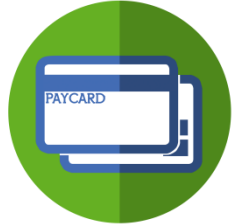
Automated royalty allocation based on Distribution Rules



Submission of distribution report to Accounting Dept



DEDUCTIONS



For Members: deposited directly to member's paycard

DISTRIBUTION



For Foreign Affiliates: sent thru bank remittance



Tax Deduction



Operating Expense (capped at 30%)



Socio-Cultural Fund (5%)

Who has recognized FILSCAP's authority ?

INTERNATIONAL ORGANIZATIONS	World Intellectual Property Organization (WIPO), Int'l. Confederation of Societies of Authors & Composers (CISAC)
GOVERNMENT ORGANIZATIONS	Intellectual Property Office of the Philippines (IPO), Supreme Court, Bureau of Immigration, etc.
INDUSTRY ASSOCIATIONS	KBP, Philippine Retailers Association (PRA), Hotel and Restaurant Financial Officers Association of the Philippines (HARFOPHIL), etc.
BUSINESS OWNERS (from different categories)	ABS-CBN, GMA7, TV5, PTV4, Manila Broadcasting Company, SM Group, Ayala Malls, Robinson Group, Rustans, Resorts World, Solaire Casino, Ovation Productions, Music Management International, Landmark, Metro Gaisano, Bench, Penshoppe, Shopwise, Jollibee Group, McDonald's, Shakey's, Starbucks, Seattle's Best, J.Co Donuts & Coffee, Shangri-La Hotels, City of Dreams, Marco Polo Hotels, Sofitel Hotel, SMART, GLOBE, iTunes, YouTube, Spotify, SAMSUNG, Philippine Airlines, Cebu Pacific, PAGCOR, etc.

FILSCAP's Proposal

We are here to facilitate the LCP members' compliance with the law.

FILSCAP is proposing to enter into a **4-year Memorandum of Agreement** with the LCP that will govern the licensing of the public playing of copyrighted compositions in the non-ticketed concerts or events and offices of the LCP members at preferential terms.



In consideration for LCP's commitment to help promote awareness and respect for music copyright, and to endorse FILSCAP to its members, **FILSCAP will grant significant licensing concessions to LCP members who will secure a 4-year public performance license from FILSCAP.**



Preferential Rate

In lieu of FILSCAP's standard rates for non-ticketed concerts and events (which are subject to a minimum fee of P10,000 per concert and P5,000 per other event), LCP members will just be assessed based on the following nominal annual blanket fees:

CITY CLASSIFICATION	ANNUAL LICENSE FEE (Net of VAT)
1 ST Class	P10,000.00
2 nd Class	P9,000.00
3 rd Class	P8,000.00
4 th Class	P7,000.00
5 th Class	P6,000.00



Extended Coverage of the License for Non-Ticketed Concerts and Events

The annual blanket license fee payment for non-ticketed concerts and events will also cover the public playing of copyrighted music under FILSCAP's repertoire in all the offices of the licensed LCP member provided no admission fees are charged.



No Rate Increase for 4 years

The preferential rates granted to the LCP members under the proposed MOA will not be increased during the 4-year term of the MOA even if FILSCAP's standard rates are increased during the said period.





Thank You!

