



CANADIAN PRIVATE COPYING COLLECTIVE
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For Immediate Release

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Federal Court awards penalty against levy evader

(Toronto) On March 3, 2006 the Federal Court of Canada awarded a substantial penalty against a business that did not pay the private copying levy. The penalty amounts to just over \$900,000. This amount is in addition to the \$1.65 million in outstanding levies, plus interest, which the company must pay.

Despite numerous attempts by the Canadian Private Copying Collective (CPCC) to collect the levy from the evader, who denied selling blank media, the collective was forced to pursue the matter in court.

The incorporated company, 9087-0718 Québec Inc., more commonly known as Vortek Systèmes, owed outstanding levies on blank CD-R and CD-RW's that the company had sold since January 2003. The levy on blank CD-R and CD-RW's is 21 cents each. The judge found the Montreal-based company's behavior to be "inexcusable". As a result, the judge awarded the penalty requested by the CPCC, in addition to the payment of the outstanding levies and interest.

"The CPCC is pleased with the Court's decision," stated Claudette Fortier, Chair of the CPCC. "While the CPCC regrets the time and expense of bringing evaders to court, it is sometimes necessary in order to ensure an unbiased marketplace for law-abiding companies and for consumers."

Enforcement is an integral part of the CPCC's mandate. The CPCC is the non-profit agency charged with collecting and distributing private copying royalties. Established in 1999, the CPCC is a collective of collectives that represent music authors, music publishers, recording artists, musicians and record companies.

The private copying levy provides remuneration to songwriters, music publishers, recording artists, musicians, and record companies for the use of their work. The levy is derived from the private copying provisions of the *Copyright Act*, implemented in 1998, in recognition of the fact that Canadians copy without authorization hundreds of millions of tracks of recorded music for their own private use.

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