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SAMPRA TAKES LEGAL ACTION AGAINST LA PARADA, TIGER'S MILK AND OTHERS OVER UNPAID ROYALTIES

The South African Music Performance Rights Association (SAMPRA) has laid criminal charges with the Woodstock Police Station against the restaurant group, Life and Brand Portfolio, for failure to pay the applicable licence fee related to music that SAMPRA manages on behalf of its members. The group owns restaurants such as La Parada, Tiger's Milk, Harbour House, Grand Africa, Lucky Fish and Chips, Live Bait, The Lookout and Old Town Italy. These restaurants have been playing music belonging to recording artists and record companies at their stores, unlawfully. They have refused to pay the applicable licence fees that would enable them to comply with the prescribed legislative provisions. This effectively means that the artists whose music is used by these restaurants will not be able to earn Needletime Rights royalties even though these restaurants are making money in their restaurants as a result of using their intellectual property.

SAMPRA, a Collective Management Organisation (CMO), administers Needletime Rights on behalf of over 40 000 recording artists and 6 000 record companies. The licence fees that are collected by this non-profit organisation from music users, are paid to recording artists and record companies as Needletime Rights royalties.

"Over the past four years, we have been earnestly trying to negotiate with Life and Brand Portfolio to pay the licence fees due as we are aware that they are using our members' music in their establishments. Life and Brand Portfolio is, however, adamant in their stance of using music illegally and therefore depriving recording companies and artists of their right to earn income from their music" said Pfanani Lishivha, CEO of SAMPRA. "We have now opened a case against Life and Brand Portfolio for their illegal and unethical conduct as we cannot stand by and watch Life and Brand Portfolio exploiting the works of our recording artists. We have a duty to ensure that recording artists get what is due to them" continued Lishivha.

(NON-PROFIT COMPANY) Reg. No. 2000/028009/08 Directors: Independent Chairperson: M NENE

Copyright Owners' Chamber: M SARAWAN • S WATSON • A MITCHLEY • HT ADENIJI • R COWLING • M MAPONYA Performers' Chamber: S MOHAPI • B MTAMBO • M RIZIKI • F TSHABALALA •AG INNES • M HLONGWANE

CEO: P LISHIVHA

Royalties are an integral part of an artist's earnings. Using intellectual property, such as music,

without permission and applicable licences is equivalent to stealing from the artists because you are

deriving value without compensating the owner of the property. Artists, like everyone else who

provides services and skills in exchange for compensation, deserve to be paid for their music. Life

and Brand Portfolio are content with seeing artists dying as paupers while their businesses thrive

from their exploitation of artists' talents and skills.

"We have resolved that over the next few months, we will be pursuing legal action against all music

users who refuse to pay Needletime Rights licence fees. Businesses that want to benefit from the

blood, sweat and tears of artists without paying the applicable licence fees are unethical and their

directors deserve to be jailed for exploiting artists" said Lishivha.

SAMPRA has had discussions with non-compliant music users such as Food Lovers, JMVR Group,

and Andiccio, with the objective of getting them to do the right thing and get licences for their

business so they can use music legally. A list of compliant business users is available on the SAMPRA

website. Any business that uses music and does not appear on the website may be unlicensed and

benefitting from using the intellectual property of artists through music piracy because using music

illegally is piracy.

"Litigation is not our preferred approach when it comes to licensing music users. It really is a last

resort. We cannot, in good conscience, allow businesses to exploit musicians while we stand by and

watch. Musicians also have families to support and financial obligations to meet. If we do nothing,

we would have failed an extremely vulnerable group of people" said Lishivha.

ABOUT SAMPRA

SAMPRA is a non-profit organisation that was formed to administer Needletime Rights royalties on

behalf of recording artists and record companies. Over 40 000 recording artists and 6 000 record

companies are members of SAMPRA. Through the SAMPRA Development Fund, SAMPRA offers

recording artists funding for live events, music production, travel and touring, education, training,

and development. Funding is also available to cultural organisations that seek to use music to

promote heritage and cultural diversity. Bursaries are also made available for members that want

to study for formal qualifications that will enhance their skills and knowledge base.

Visit <u>www.sampra.org.za</u> and <u>www.sampradeveopmentfund.co.za</u> for more information.

ISSUED BY: THE SOUTH AFRICAN MUSIC PERFORMANCE RIGHTS ASSOCIATION

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