M CHANNEL CORPORATION LTD: YOU PLAY MY MUSIC, YOU PAY THE FREIGHT !

The Composers and Authors Society of Hongkong Ltd has sued publicly listed <u>M Channel Corporation Ltd</u> (Code: 8036, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd) and its wholly owned subsidiary for about \$HK1.25 million.

High Court Action Number 2272 names M Channel as the First Defendant and Mobile Media Management Ltd as the Second Defendant.

The Statement of Claim, attached to Writ of Summons Number 2272, alleges that the Second Defendant was an agent of the First Defendant, which, in turn, 'operates an audio-visual service in Hong Kong, which performs in public programmes on video screens installed on public transport vehicles and at various premises ("the M Channel").'

Since October 2001, M Channel is alleged to have performed in public, certain musical works and literary works, which are purported to have been the lyrics to the musical works.

The Composers and Authors Society of Hongkong Ltd entered into an agreement with M Channel 'in respect of the grant of a licence by the Plaintiff to the Defendants or each of them to perform the Works (the lyrics and musical works) in public or authorise the same to be performed in public via the M-Channel'.

That licence was said to have been granted in October 2001.

Paragraph 6. (b) and 6. (c) of the Statement of Claim alleges:

- (b) the Defendant would pay royalty fees for the right to perform the Works in public or authorise the same to be performed in public via the M-Channel at a rate to be agreed between the Plaintiff and the Defendants;
- '(c) the Defendants would provide the Plaintiff with information, including, inter alia, platform information and proportion of self-produced programmes, as the Plaintiff may reasonably require from time to time in order to assess such royalty fees.'

The Statement of Claim, then, continues, stating that between October 2001 and February 2004, M Channel and Mobile Media Management Ltd performed authorised Works, the copyrights and performing rights of which are vested in The Composers and Authors Society of Hongkong Ltd on behalf of itself and/or overseas affiliated societies around the world.

In March 2002, Mobile Media Management Ltd is alleged to have paid \$HK47,974.11 to the Plaintiff 'being the royalty fee for October 2001 for performing the Works in public or authorising the same to be performed in public via the M-Channel.' (Paragraph 8 of the Statement of Claim)

But that was all she wrote, as the saying goes.

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