

December 7, 2022

Ron Lund President & CEO Association of Canadian Advertisers 21 St. Clair Avenue East, Suite 1201 Toronto, ON M4T 1L9

via e-mail: rlund@acaweb.ca

Dear Ron,

## **RE: Unauthorized Transfer of Rights or use of Commercials**

We are writing to advise the Association of Canadian Advertisers (ACA) that some advertising agencies that are locking out ACTRA Performers may be placing advertisers at risk. It has come to our attention that some locking out advertising agencies who seek to bring commercials covered by the National Commercial Agreement (NCA) out of dormancy are attempting an unauthorized transfer of rights. We are concerned that these actions are potentially placing advertisers in a position of liability by using a Performers image without approval. We encourage you to pass along the following to advertisers so they may avoid any legal liability or consequences that may arise from such actions.

The NCA requires that any transfer of the rights of commercials, or any decision to bring a commercial out of dormancy, can only be done by a <u>signatory Engager</u> in accordance with the terms of the NCA. (See articles 1813, 3201, and Appendix P to the NCA.)

As you know, the Institute of Canadian Agencies (ICA), and some of its members have taken the position that the NCA is no longer in force and no longer governs the relationship between ACTRA, ACTRA members and their agency. ACTRA takes the position that the ICA and those agencies are engaged in an unlawful lockout of ACTRA members.

Locking out engagers are not entitled to transfer the rights to any commercial nor are they entitled to bring any commercial out of dormancy.

ACTRA and its members reserve all rights, claims, and remedies in response, to any unauthorized transfer of rights or the use of dormant commercials.

Advertisers and their agencies who wish to use a dormant commercial or transfer rights for commercials made under the NCA, are required to abide by the renewal NCA negotiated by ACTRA and the ACA – our agreement that is very much in effect. If an advertiser wants to transfer or take a commercial out of dormancy it can do so by transferring the advertisers entire account to an agency that is a signatory and not currently locking out ACTRA Performers.

Kind regards,

Marie Kelly,

National Executive Director

**ACTRA National**