

Assessing Copyright and Related Rights Systems

# Collective Management of Rights

Report on Piloting in Finland





**Assessing Copyright and Related Rights Systems: Collective Management of Rights. Report on Piloting in Finland.**

This report is the result of the first pilot study implementing Description Sheet 12 – *Collective Management of Rights*, one of the 37 indicators constituting a methodology framework for assessing the operation of national copyright and related rights systems. The methodology framework has been developed at the Foundation for cultural policy research (Cupore) in Finland as part of a project financed by the Finnish Ministry of Education and Culture. The pilot study was conducted by the core project team (Tiina Kautio and Nathalie Lefever) together with Milla Määttä, Project Researcher, and Niko Siukkola, Intern at the Ministry of Education and Culture, between May and December 2015. The study includes findings of an initial desktop research conducted by Katja Vaahtera, student at the Faculty of Law at the University of Turku, as part of an internship at the Foundation for Cultural Policy Research between February and May 2013, conducted under the supervision of Assistant Professor Tuomas Mylly (University of Turku), the steering group of the project, as well as the core project team. The results were first published in January 2016 on the website of Cupore.

*A handbook presenting the methodology framework is available on the website of Cupore at [www.cupore.fi](http://www.cupore.fi).*

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## Executive summary

This document presents data collected in application of a methodology framework to assess the operation of national copyright and related rights systems. More precisely, the information and analysis below correspond to Description Sheet 12 presented in the methodology handbook, titled “Collective Management of Rights”.

In Finland there are seven collective management organizations that exercise copyright and related rights by monitoring the use of works and by acting on right holders’ behalf: Filmex (representing actors performing in audio and audiovisual works), Gramex (representing performing artists whose performances have been recorded, and producers of phonograms), Kopiosto (managing certain rights of authors, photographers, performing artists and publishers in all fields of creative work), Kuvasto (representing artists working in the field of visual arts), Sanasto (representing all writers: authors, translators, poets, editors and non-fiction writers), Teosto (representing composers, lyricists, arrangers and music publishers) and Tuotos (representing film and audiovisual producers). They are presented in details in section 2 of this report.

The CMOs’ main tasks are to authorize the use of protected works, as well as to collect remunerations and compensations from the use of works and to distribute them to right holders according to an agreed formula. All CMOs in Finland are non-profit organizations governed by right holders either directly or through organizations representing them. Some of them contribute to culture by supporting cultural activities or organizations.

The operation of the Finnish CMOs is based on assignments of rights or mandates of administration from right holders. The Finnish Copyright Act also includes certain special features that broaden the scope of the operation of the CMOs: extended collective licenses (allowing certain CMOs to grant licenses the conditions of which become applicable also to right holders that are not represented by them), statutory licenses (cases where right holders are not allowed to refuse granting the right to use their works) and certain cases of remunerations and compensations without pre-existing licensing schemes. The most important acts regulating the operation of the Finnish CMOs are the Associations Act, the Competition Act and the Copyright Act.

The seven collective management organizations operating in Finland are described in this report, including the right holder categories represented, the clients and/or members of the CMO, the terms of collection and distribution of remunerations and compensations, their special duties (extended collective licenses, statutory licenses and remuneration or compensation schemes that are part of their responsibilities), the volume of remunerations and compensations administered, their possible contribution to culture and the availability of their annual reports and price lists. Their international coverage is presented by listing the umbrella organizations they were members of, the reciprocal representation contracts concluded and the amounts of remunerations collected from abroad.

The Finnish system of collective management of rights is very developed and organized. The seven CMOs described in this report cover the main areas of collective management, including all the rights, right holder categories, types of works, and types of uses most commonly under collective management. They are in charge of facilitating licensing on behalf of the right holders represented by them. Moreover, they have been approved to manage extended collective licenses, as well as certain statutory licenses and compensations and remunerations. They are also important actors in the collection of remunerations for Finnish works abroad and some are active in promoting Finnish culture. As a result, CMOs fulfill a crucial role in the functioning of the Finnish copyright system.

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## Introduction

### ***A. CONTEXT OF THE PILOT STUDY***

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A methodology framework for assessing the operation of national copyright and related rights systems has been developed at the Foundation for cultural policy research (Cupore) in Finland. It is a collection of tools for achieving a systematic assessment of the functioning, performance and balanced operation of national copyright and related rights systems.

In the methodology, the assessment is determined through a framework consisting of so-called description sheets and methodology cards. The description sheets constitute guidelines to produce a comprehensive presentation and description of a country's copyright and related rights system and its operating environment. The methodology cards propose the collection of specific sets of data, either quantitative, descriptive or qualitative, that will be used as indicators of the functioning, performance and balanced operation of the system. Description sheets and methodology cards are accompanied by detailed information on the data to be collected, as well as analysis guidelines that will help connect them to each other.

The methodology framework is envisaged to be continuously improved through application feedbacks. For more information, see the Cupore website, [www.cupore.fi/copyright.php](http://www.cupore.fi/copyright.php).

This report presents data collected in application of Description Sheet 12 of the methodology framework, titled "Collective Management of Rights". It is the result of the first pilot study applying this indicator in Finland.

The study was conducted by the core project team (Tiina Kautio and Nathalie Lefever) together with Milla Määttä, Project Researcher, and Niko Siukkola, Intern at the Ministry of Education and Culture, between May and December 2015. The study includes findings of an initial desktop research conducted by Katja Vaahtera, student at the Faculty of Law at the University of Turku, as part of an internship at the Foundation for Cultural Policy Research between February and May 2013, conducted under the supervision of Assistant Professor Tuomas Mylly (University of Turku), the steering group of the project, as well as the core project team.

### ***B. PRESENTATION OF THE INDICATOR***

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The description sheet implemented here is part of the second pillar of the methodology framework, "Functioning and performance of the elements of the copyright system", and its third area, "Management of rights". Its aim is to describe in detail the judicial framework concerning collective management of rights as well as the organizational aspects and the operation of national collective management organizations (CMOs), in order to support the analysis of the operation of the national copyright and related rights system.

This description sheet aims at providing a thorough description of collective management of copyrights and the collective management organizations operating in the country. It covers the judicial framework concerning collective management of rights, as well as the operation, representativeness and territorial coverage of national CMOs. Information on trans-border management of rights and on the existence of representation agreements between collective management organizations will give a general overview of management of rights at the international level.

Information collected through this description sheet is closely connected to Methodology card 9 focusing on the effectiveness of CMOs as well as to Description sheet 5 which presents the national copyright law. It however provides a more detailed overview of the judicial framework concerning collective management of rights, including detailed information on both copyright law and other laws determining the operation of CMOs, such as competition law and laws governing non-profit associations. It focuses on issues specific to collective management, such as extended collective licenses, statutory licenses as well as compensation and remuneration systems.

The description sheet presenting the indicator can be found in Appendix A of this report.

### ***C. METHODS***

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Most of the data presented in this report was found through available national information sources, such as legal databases and annual reports of the CMOs. The method chosen was therefore desktop research. This data was supplemented by expert interviews (with representatives from the CMOs).

Lists of national and international information sources used for this report as well as a list of consulted parties can be found in the Appendices.

### SECTION 1. FRAMEWORK FOR COLLECTIVE MANAGEMENT OF RIGHTS

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This section presents the framework for collective management of rights in Finland, including the different situations where copyrights are collectively managed, such as voluntary collective licenses, the extended collective license system, statutory licenses and fair compensation for private copying. It also presents certain organizational aspects of collective management in Finland.

#### ***A. COLLECTIVE MANAGEMENT OF RIGHTS IN FINLAND***

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Collective management is organized in order to facilitate the operation of the licensing markets, in particular in cases where individual management of rights is impossible or at least very inconvenient for practical reasons. The operation of CMOs is based on assignments of rights or mandates of administration from individual right holders. Collective management organizations monitor the use of works and act on right holders' behalf. Besides the cases where right holders voluntarily mandate CMOs as representatives to organize the licensing of their works, some of the Finnish CMOs' operations are based on other types of non-voluntary licensing such as extended collective licenses and statutory licenses. Some CMOs also play a role in applying the rights of remuneration or compensation in specific cases, such as public lending, acts of resale of works of fine art and private copying.

##### ▪ **VOLUNTARY COLLECTIVE LICENSING**

The Finnish Copyright Act<sup>1</sup> regulates the exercise of copyright. The general rule is that right holders have an exclusive right to control their works and can freely decide upon the terms for their use.<sup>2</sup> A right holder can therefore decide to let a representative organization, such as a CMO, arrange licensing for his works.

In Finland there are seven collective management organizations that grant licenses and collect remunerations on right holders'<sup>3</sup> behalf: Filmex (representing actors performing in audio and audiovisual works), Gramex (representing performing artists whose performances have been recorded and producers of phonograms), Kopiosto (managing certain rights of authors, photographers, performing artists and publishers in all fields of creative work), Kuvasto (representing artists working in the field of visual arts), Sanasto (representing all writers: authors, translators, poets, editors and non-fiction writers), Teosto (representing composers, lyricists, arrangers and music publishers) and Tuotos (representing film and audiovisual producers). They are presented in details in section 2 of this report.

The CMOs' main tasks are to authorize the use of protected works, as well as to collect and distribute remunerations and compensations for the use of works according to an agreed formula.<sup>4</sup> All CMOs in Finland are non-profit organizations governed by right holders either directly or through organizations representing them

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<sup>1</sup> Act 404/1961; an unofficial translation in English is available at <http://www.finlex.fi/fi/laki/kaannokset/1961/en19610404.pdf>. Visited on 6.12.2015.

<sup>2</sup> Finnish Copyright Act, Section 2.

<sup>3</sup> CMOs represent the interests of the right holders affiliated to their services. These right holders are called either members, clients or right holder-customers.

<sup>4</sup> Source: Ministry of Education and Culture's website, at [http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien\\_hallinnointi\\_ja\\_hankinta/?lang=en](http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien_hallinnointi_ja_hankinta/?lang=en). Visited on 7.5.2015.

## ▪ EXTENDED COLLECTIVE LICENSING<sup>5</sup>

In Finland, some areas of use of copyrighted materials fall under extended collective licenses. In these cases “an approved organization is deemed to represent authors of other works in the same field under the license. A licensee authorized by virtue of extended collective license may, under terms determined in the license, use all works by authors in the same field.”<sup>6</sup> In other words, “the ECL systems rely on specific provisions in the law, which extend the effect of the agreements concluded between specified parties in a way that allows the user to use, on conditions laid down in the agreement, also works by authors whom the organization does not represent. Through this arrangement the right holders are able to negotiate about the use foreseen and receive remuneration while the users’ interests are taken care of by guaranteeing blanket agreements, without the risk of claims from non-represented right holders, and criminal sanctions.”<sup>7</sup>

The system of extended collective licenses is therefore intended to simplify rights clearance in certain situations of mass use. Right holders that are not represented by the CMOs retain the right to prohibit the reproduction or communication of their works.<sup>8</sup> The Copyright Act also ensures that an author not represented by the organization but whose work has been licensed on the basis of an extended collective license shall nevertheless have the right to claim an individual remuneration. The claim must be placed within three years from the end of the calendar year during which the reproduction, communication or transmission of the work took place, and will be valid even if the CMO’s own stipulation does not provide for individual remuneration.

Provisions applicable to the system of extended collective licenses are expressed in Section 26 of the Copyright Act. Extended collective licenses are provided for in the following specific cases<sup>9</sup>:

- Photocopying (Section 13)
- Use for internal communication (Section 13 a)
- Use of works for educational activities and scientific research (Section 14)
- Use of works in archives, libraries and museums (Sections 16 d and 16 e)
- Use of works of art in catalogues and in information and pictorial representation of a building (Section 25 a)
- Use in original radio and television transmissions (Section 25 f)
- Ephemeral recording for radio and television transmissions (Section 25 f)
- Reuse of a television program, newspaper or a magazine stored in an archive (Section 25 g)
- Retransmission of a radio or television transmission (Section 25 h)
- Online recording service of television programs (Section 25 l; in force since 1.6.2015).

The Finnish Copyright Act provides that the Ministry of Education and Culture appoints CMOs to manage extended collective licenses. The CMOs selected on application are approved for a fixed period of maximum 5 years and “must have the financial and operational prerequisites and capacity to manage the affairs in accordance with the approval decision”.<sup>10</sup> They must also represent a substantial proportion of the authors of works in the field concerned. Several organizations may be approved to grant licenses for a given use of works (in which case the terms of the approval decisions shall ensure, where needed, that the licenses are granted simultaneously and on compatible terms), but this has not

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<sup>5</sup> In Finnish: Sopimuslisenssi.

<sup>6</sup> Copyright Act, Section 26, as modified according to Act 607/2015.

<sup>7</sup> Source: Vuopala Anna, *Extended Collective Licensing – A solution for facilitating licensing of works through Europeana, including orphans?* Articles and Studies of the Finnish Copyright Society 2/2013. Available at [http://www.copyrightsociety.fi/ci/Extended\\_Collective\\_Licensing.pdf](http://www.copyrightsociety.fi/ci/Extended_Collective_Licensing.pdf). Visited on 11.6.2015.

<sup>8</sup> For example, see Section 14 (4) of the Copyright Act.

<sup>9</sup> Sources: Copyright Act, as modified according to Act 607/2015; Ministry of Education and Culture’s website, at [http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien\\_hallinnointi\\_ja\\_hankinta/sopimuslisenssit/?lang=fi](http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien_hallinnointi_ja_hankinta/sopimuslisenssit/?lang=fi). Visited on 8.5.2015.

<sup>10</sup> Copyright Act, Section 26 (2).

been the case so far. The Act also provides that “the approval decision may also lay down terms guiding practical licensing in general for the organization”<sup>11</sup>.

The following list presents the CMOs currently approved for each case of extended collective licenses<sup>12</sup>:

- Photocopying (Section 13)<sup>13</sup>:
  - Kopiosto (for the years 2012-2016)
- Use for internal communication (Section 13 a)<sup>14</sup>:
  - Kopiosto (14.9.2015-2019)
- Use of works for educational activities and scientific research (Section 14)<sup>15</sup>:
  - Kopiosto – for works and other material included in television and radio programs, and for their right holders, excluding the rights of audiovisual producers and broadcasting organizations (2013-2017)
  - Tuotos – for television programs and the rights of audiovisual producers (2013-2017)
  - Gramex – for sound recordings and performances stored on them, with the exception of materials included in television and radio programs (2012-2016)
- Use of digital works for educational activities and scientific research (Section 14)<sup>16</sup>:
  - Kopiosto – for the types of works covered in the approval decision (2012-2016)
- Use of works in archives, libraries and museums (Sections 16 d and 16 e)<sup>17</sup>
  - Sanasto – for literary works (2012-2016)
  - Kopiosto – for other works and photographs included in a literary work (2012-2016)
  - Kuvasto – for visual art works and the works of the categories of right holders of photographic works represented by Kuvasto (2012-2016)
  - Kopiosto – for other photographic works and the photographs described in Section 49 of the Copyright Act (2012-2016)
- Use of works of art in catalogues (Section 25 a)<sup>18</sup>:
  - Kuvasto (2012–2016)
- Use of works in original radio and television transmissions (Section 25 f)<sup>19</sup>:
  - Teosto – for musical works (2014-2018)
  - Sanasto – for literary works (2014-2018)
  - Kuvasto – for visual art works (2012-2016)
- Ephemeral recording for radio and television transmissions (Section 25 f)<sup>20</sup>:
  - Teosto – for musical works (2014-2018)
  - Sanasto – for literary works (2014-2018)
  - Gramex – for sound recordings and performances stored on them (2014-2018)
  - Kuvasto – for visual art works (2012-2016)
- Reuse of a television programme, newspaper or a magazine stored in an archive (Section 25 g)<sup>21</sup>

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<sup>11</sup> Copyright Act, Section 26 (2).

<sup>12</sup> Source: Ministry of Education and Culture’s website, at [http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien\\_hallinnointi\\_ja\\_hankinta/sopimuslisenssit/?lang=fi](http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien_hallinnointi_ja_hankinta/sopimuslisenssit/?lang=fi). Visited on 11.6.2015.

<sup>13</sup> Original name in Finnish: Valokopiointi (13 §).

<sup>14</sup> Original name in Finnish: Sisäinen tiedotuskäyttö (13 a §).

<sup>15</sup> Original name in Finnish: Opetustallennus (14 §).

<sup>16</sup> Original name in Finnish: Digitaalinen opetuskäyttö (14 §).

<sup>17</sup> Original name in Finnish: Arkistot, kirjastot, museot (16 d §).

<sup>18</sup> Original name in Finnish: Kokoelmaan sisältyvä taideteos (25 a §).

<sup>19</sup> Original name in Finnish: Lähettäminen radiossa ja televisiossa (25 f §).

<sup>20</sup> Original name in Finnish: Lähetystekninen tallentaminen (25 f §).

<sup>21</sup> Original name in Finnish: arkistoidun tv- ja radio-ohjelman sekä sanoma- ja aikakauslehden uudelleen käyttäminen (25 g §, Act 763/2013).

- Kopiosto – for newspapers and magazines (14.9.2015-2019)
- Retransmission of a radio or television transmission (Section 25 h)<sup>22</sup>:
  - Kopiosto and Teosto (valid until the end of 2015). Kopiosto has the obligation to negotiate with Tuotos and Gramex.
- Online recording service of television programmes (Section 25 l; in force since 1.6.2015)<sup>23</sup>:
  - Gramex – for sound recordings and musical performances (1.7.2015-2019)
  - Teosto – for musical works (1.7.2015-2019)
  - Tuotos – for the rights of audiovisual producers (1.7.2015-2019)
  - Kopiosto – for other categories of works and other subject matter (1.7.2015-2019)

#### ▪ SPECIAL REMUNERATION AND COMPENSATION SCHEMES

The Copyright Act also lists some situations where specific uses of copyrighted works are the object of special remuneration and compensation schemes in which CMOs are often (but not necessarily) involved. These include cases of “statutory licenses” or “compulsory licenses”<sup>24</sup>, where right holders receive remuneration from licensing organized without the possibility for them to refuse granting the right to use the work. The purpose is to ensure the access to copyrighted materials for certain special interest groups. In other cases, authors and performers receive remuneration or compensation without pre-arranged licenses (and therefore without the possibility for an author to prohibit these types of uses either). Statutory licenses and other special remuneration and compensation schemes are in some cases difficult to distinguish and therefore are presented together in this report.

These special remuneration and compensation cases are the following:

- **Availability of works to persons with disabilities**<sup>25</sup>: according to Section 17 of the Copyright Act, “copies of a published literary work, a published musical work or a published work of fine art may be made by means other than recording sound or moving images for use by people with visual impairments and others who, owing to a disability or illness, cannot use the works in the ordinary manner. The copies thus made may be used for communication to persons referred to above by means other than transmission on radio or television.” Institutions entitled to making these copies are designated by a Government Decree. The remunerations for authors of literary works are managed by Sanasto.
- **Literary or artistic works of compilation used in education**<sup>26</sup>: this case of statutory license is not managed through collective management organizations.<sup>27</sup> Possible remunerations are paid to right holders directly.
- **Public lending**<sup>28</sup>: according to Section 19 of the Copyright Act, “the author shall have a right to remuneration for the lending of copies of a work to the public, with the exception of products of

<sup>22</sup> Original name in Finnish: Edelleen lähettäminen (25 h §).

<sup>23</sup> Original name in Finnish: Televisio-ohjelmien verkkotallennuspalvelut (25 l §).

<sup>24</sup> In Finnish: Pakkolisenssi.

<sup>25</sup> Teosten saattaminen vammaisten käytettäväksi (17 §).

<sup>26</sup> Opetuksessa käytettävät kokoomateokset (18 §).

According to this section of the Copyright Act, “minor parts of literary or musical works or, if not extensive, the entire work may be incorporated into a literary or artistic work of compilation consisting of works by several authors which is printed or produced by corresponding means and intended for use in education”. The provisions apply only after five years have elapsed after the publication and shall not apply to works created specifically for use in education.

<sup>27</sup> Harenko et al. (2006) mentions that the level of the remuneration has been agreed together with authors’ organizations and publishers of educational books, and if these parties would not agree, the provision on arbitration, Section 54, would be applied. Source: Harenko Kristiina, Niiranen Valterri & Tarkela Pekka, *Tekijänoikeus: kommentaari ja käsikirja*. WSOYpro 2006, p. 154.

<sup>28</sup> Teoksen kappaleiden levittäminen ja oikeus lainauskorvaukseen (19 §).

architecture, artistic handicraft and industrial art.” The lending from the Finnish public libraries is covered by a remuneration system governed by the Ministry of Education and Culture. A certain amount from the state budget, decided upon annually, is designated to cover remunerations for lending from public libraries. The grounds for the system come from the European Union in Directive 92/100 EEC<sup>29</sup> which was implemented in the Copyright Act (Section 19a) in 2006.<sup>30</sup> The remuneration paid to authors is based on the amount of lendings from public libraries. The Public Lending Right is administered by Sanasto (for written works), Kopiosto (for visual works) and Teosto (for musical works) for the period 2012-2016. Sanasto, the CMO representing all writers (authors, translators, poets, editors and non-fiction writers), has been actively involved in development of this system.<sup>31 32</sup>

- **Fair compensation for private copying<sup>33</sup>:** The Finnish Copyright Act allows making single copies for private use<sup>34</sup>. In order to compensate copying for private use, a so-called fair compensation for private copying of their protected works and other subject-matter is distributed to right holders<sup>35</sup>. The system is based on the Infococ directive of the European Union<sup>36</sup> but it is for the national Governments to decide how the compensation is organized (including the sources of its financing), the scope of the system and the tariffs. Following a decision by the Parliament of Finland in December 2014 on a revision to the Copyright Act, the compensation for private copying is funded from the state budget from the beginning of 2015. Until the end of year 2014, private copying levy was included in the sales prices of blank media and recordable devices.<sup>37</sup>

Chapter 2 a of the Copyright Act concerns the compensation for the reproduction of a work for private use. In particular, Section 26 a of the Finnish Copyright Act defines the compensation and Section 26 b specifies its distribution to copyright holders.<sup>38</sup> The compensation is paid both directly to authors and indirectly for the common purposes of authors according to a plan approved by the Ministry of Education and Culture.

As specified in Section 26 b of the Copyright Act, the compensations are paid out through organizations representing numerous authors in certain fields (Kopiosto, Gramex, Teosto and Tuotos) and in cases of indirect compensations also through certain other organizations. When distributing direct compensations, the organization shall treat all authors equally, whether or not

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<sup>29</sup> The Directive was replaced by Directive 2006/115/EC of the European Parliament and of the Council on rental right and lending right and on certain rights related to copyright in the field of intellectual property (codified version), OJ L 376, 27.12.2006, pp. 28–35.

<sup>30</sup> The remuneration system in Finland is somewhat new when compared to other European or Nordic countries; for example, a similar system was established in Sweden already in the 1950s.

<sup>31</sup> See Kirja elää campaign which is governed by Sanasto, at <http://www.kirjaelää.fi/>. Visited on 8.12.2015.

<sup>32</sup> The level of remunerations paid within the public lending right scheme is 8.2 Million euros in 2015. Source: Sanasto’s website, at <http://www.sanasto.fi/faq/faq-lainauskorvaus/>. Visited on 30.12.2015.

In 2014 the number of loans from Finnish public libraries amounted to 90.8 million. (Source: Finnish Public Libraries Statistics 1999 – 2014, at <http://tilastot.kirjastot.fi/en-GB/>. Visited on 24.6.2015.)

<sup>33</sup> In Finnish: Yksityisen kopioinnin hyvitysmaksu.

<sup>34</sup> This right is limited in the case of reproduction of musical or cinematographic works: private users are not permitted to use copies made by a third party.

<sup>35</sup> Copyright Act, Chapter 2 a.

<sup>36</sup> Directive on the harmonisation of certain aspects of copyright and related rights in the information society (2001/29/EC), OJ L 167, 22.6.2001, pp. 10–19, available at [http://ec.europa.eu/internal\\_market/copyright/copyright-info/index\\_en.htm](http://ec.europa.eu/internal_market/copyright/copyright-info/index_en.htm). Visited on 19.6.2015.

<sup>37</sup> Until the beginning of 2015, the Ministry of Education and Culture had appointed Teosto to collect the private copying levy for all right holder categories and for these purposes, Teosto featured a Private Copying Unit.

<sup>38</sup> Provisions available in Finnish only, see <http://www.finlex.fi/fi/laki/ajantasa/1961/19610404>. Visited on 17.12.2015.

they are members of the organization. The Ministry has the right to get the information necessary for the supervision from the organizations responsible for paying the compensations.

- **Remuneration for acts of resale of works of fine art:** According to Section 26 i of the Copyright Act, “the author of a work of fine art has the right to receive a remuneration for all acts of resale involving an art market professional as a seller, a buyer, or an intermediary. However, the right does not extend to acts of resale by a private person to a museum open to the public.” The CMO currently approved for managing this remuneration system is Kuvasto (for the years 2011-2015).<sup>39</sup>
- **Remuneration for the use of sound recordings:** Sound recordings which have already been published and distributed or communicated to the public may be used in public performances and in original communication to the public (in a manner other than one enabling members of the public to access the recorded performance or material at a place and time chosen by them) according to certain conditions defined in Section 47 (1) of the Copyright Act, and a remuneration shall be paid for the producer and the performing artist. This also applies to music recordings containing images, as defined in Section 47 (3). The CMO currently approved for managing this remuneration system is Gramex (for the years 2011-2015).<sup>39</sup> Additionally, in order to compensate for the extension of the period of protection of sound recordings from 50 to 70 years, performing artists whose phonogram was published more than 50 years ago are entitled in certain cases to annual supplementary remuneration. This supplementary remuneration is distributed by the CMO approved for managing the remuneration for the use of sound recordings.<sup>40</sup>

In cases of simultaneous and unaltered retransmission of a radio or television transmission, the remunerations for the use of sound recordings are handled through the organization approved by the Ministry of Education and Culture to manage extended collective licenses in the field of retransmission of a radio or television transmission (Section 25 h) (Kopiosto and Teosto, in cooperation with Gramex). There is no specific approval procedure for this case.

- **Remuneration for the retransmission of programs based on the must carry obligation to transmit programs<sup>41</sup>:** programs may be retransmitted on the basis of must carry obligation<sup>42</sup> defined in Section 25 i of the Copyright Act (in force since 1.6.2015), and a remuneration shall be paid to the copyright holder unless the retransmitting organization demonstrates that the remuneration has already been paid in the context of obtaining the transmission rights. The negotiations on the level of remuneration are handled through the organizations approved by the Ministry of Education and Culture to manage extended collective licenses in the field of retransmission of a radio or television

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<sup>39</sup> Source: Ministry of Education and Culture’ website, at [http://www.minedu.fi/OPM/Tekijaenoikeus/oiikeusien\\_hallinnointi\\_ja\\_hankinta/erityistehtavat/?lang=fi](http://www.minedu.fi/OPM/Tekijaenoikeus/oiikeusien_hallinnointi_ja_hankinta/erityistehtavat/?lang=fi). Visited on 12.6.2015.

<sup>40</sup> Copyright Act, Sections 46 c, 46 d and 47 a (1). The annual supplementary remuneration is based on Directive 2011/77/EU which extended the protection period of sound recordings from 50 to 70 years. According to Section 46 c of the Copyright Act, phonogram producers are obliged to set aside 20 % of the revenues earned during the extended 20-year period of protection from the reproduction, distribution and making available of the sound recording in question. A performer has the right to obtain this supplementary remuneration for each full year immediately following the 50th year after the phonogram was lawfully published or, failing such publication, the 50th year after it was lawfully communicated to the public, if the performer has transferred or assigned his/her rights in exchange for a one-off payment. The right to obtain such annual supplementary remuneration may not be waived by the performer. According to Section 46 d of the Copyright Act, the remuneration is distributed to right holders by the organization approved for managing the remuneration for the use of sound recordings, in accordance with procedures negotiated together with the representatives of performers and producers of sound recordings. See Directive 2011/77/EU of the European Parliament and of the Council amending Directive 2006/116/EC on the term of protection of copyright and certain related rights, OJ L 265, 10.11.2011 pp. 1–5, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:265:0001:0005:en:PDF>. Visited on 10.12.2015.

<sup>41</sup> Original name in Finnish: Jakeluvetoitteen alaisten ohjelmien edelleen lähettäminen.

<sup>42</sup> Definition of must carry regulation by the Finnish Communications Regulatory Authority: “The transmission obligation, or so-called must carry regulation, means that operators providing a network service in a cable television network have an obligation to transmit in the network the programmes of certain national generalist channels.” Source: website of the Finnish Communications Regulatory Authority, at <https://www.viestintavirasto.fi/en/tvradio/broadcastingandreception/cabletv/must-carryobligation.html>. Visited on 14.9.2015.

transmission (Section 25 h) (Kopiosto and Teosto), which have a duty to negotiate the level of remunerations with Tuotos and Gramex. There is no specific approval procedure for this case.

## ***B. THE ORGANIZATIONAL ASPECTS OF COLLECTIVE MANAGEMENT ORGANIZATIONS IN FINLAND***

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The most important acts regulating the operation of CMOs are the Associations Act and the Competition Act. The Copyright Act also includes some rules on the organizational aspects of CMOs, and a recent European directive sets EU-wide standards concerning the operation of CMOs.

### ▪ **ASSOCIATIONS ACT<sup>43</sup>**

All the Finnish collective management organizations are registered associations<sup>44</sup> that collectively manage specific categories of rights and look after copyright holders' interests. Their operation is based on the power of attorney, member agreements, or some other arrangement by which the right holders empower them to act on their behalf. The Associations Act regulates the operations of non-profit organizations; for example, it delineates the assembly of the board of directors, outlines the decision-making processes, as well as determines issues concerning membership and resignation.

### ▪ **COMPETITION ACT<sup>45</sup>**

Although all CMOs are non-profit organizations, they can be deemed to have de facto monopolies in their respective markets, and there have been some disputes regarding the effects of this situation.<sup>46</sup> The Finnish Competition and Consumer Authority supervises the operation of the CMOs to ensure that they do not abuse their dominant market position.<sup>47</sup> Abuse of dominant position is prohibited both on the basis of Section 7 of the Finnish Competition Act and Article 102 of the Treaty on the functioning of the European Union<sup>48</sup>. According to Section 4 of the Competition Act, "a dominant position shall be deemed to be held by one or more business undertakings or an association of business undertakings, who, either within the entire country or within a given region, hold an exclusive right or other dominant position in a specified product market so as to significantly control the price level or terms of delivery of that product, or who, in some other corresponding manner, influence the competitive conditions on a given level of production or distribution." According to Section 7 of the Competition Act, abuse of a dominant position, which is prohibited, may consist in four different types of behavior:

1. directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions;
2. limiting production, markets or technical development to the prejudice of consumers;
3. applying dissimilar conditions to equivalent transactions with trading partners, thereby placing them at a competitive disadvantage;

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<sup>43</sup> Act 503/1989; an unofficial translation of the Finnish Associations Act is available at the website of the Finnish Patent and Registration Office, at <https://www.prh.fi/en/yhdistysrekisteri/act.html>. Visited on 6.5.2015.

<sup>44</sup> By contrast, in other countries collective management has been organized also through companies with limited liability, corporations, co-operatives, economic associations and different types of foundations.

<sup>45</sup> Act 948/2011; an unofficial translation of the Finnish Competition Act is available online at <http://www.finlex.fi/en/laki/kaannokset/2011/en20110948>. Visited on 6.12.2015.

<sup>46</sup> See the Market Court's decision 156/03 on Gramex's abuse of dominant market position.

<sup>47</sup> See the website of the Finnish Competition and Consumer Authority, at <http://www.kkv.fi/en/>. Visited on 02.07.2015. See also the Statement of the Finnish Competition Authority on a report of the Copyright Commission on copyright in the information society (2002:5), at <http://www.kilpailuvirasto.fi/cgi-bin/suomi.cgi?sivu=aloit-laus/a-2002-72-0420>. Visited on 6.5.2015.

<sup>48</sup> Consolidated version of the Treaty on the Functioning of the European Union, Article 102 (former Article 82 TEC), *Official Journal* 115, 09/05/2008 P. 0089 – 0089. The text of this article is available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12008E102:EN:HTML>. Visited on 2.7.2015.

4. making the conclusion of a contract subject to acceptance by the other contract party of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such a contract.

However, according to the Finnish Competition and Consumer Authority's (FCCA) report on collective management organizations and the functioning of the copyrighted works market<sup>49</sup>, "the complexity of copyright legislation, the agreement practices of collective management organizations, and the obscurity of ownership and cash flows pertaining to copyright or components of copyrighted works, make competition law assessment of the status of collective management organizations difficult". The mentioned ambiguities in the copyright law concern the concept of author in particular, and the possible disruptions in the operation of the market when the scope of that concept is being expanded by the collective management organizations holding a dominant market position.<sup>50</sup>

#### ▪ COPYRIGHT ACT

Section 26 (1) of the Copyright Act describes the conditions under which a CMO can be approved for extended collective licensing; neither these approval decisions, nor decisions attributing statutory licenses are published but they are available at the Ministry of Education and Culture<sup>51</sup>.

According to Section 26 (2) of the Copyright Act, CMOs appointed for managing extended collective licenses "shall annually submit an account to the Ministry of Education of the measures it has taken pursuant to the approval decision." No exact instructions on reporting have been given by the ministry. The CMOs appointed are obliged to provide additional information for monitoring the execution of the approval decision upon the Ministry's request. Some CMOs willingly publish annual reports including some financial information.

#### ▪ EUROPEAN LEGISLATION

On 26 February 2014, the European Union has adopted Directive 2014/26/EU on collective rights management and multi-territorial licensing of rights in musical works for online uses<sup>52</sup>. The Directive aims, among other goals, at improving the way all collective management organizations are managed by establishing common governance, transparency and financial management standards. It includes measures to ensure that

- right holders are free to choose a collective management organization to manage their rights (or categories of rights or types of works) regardless of the country of establishment of the collective management organization or of their own residence, and to terminate the authorization they gave to a collective management organization for the management of their rights or withdraw only some of their rights;
- CMOs do not discriminate between right holders;

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<sup>49</sup> The report "Collective management and the functioning of the copyrighted works market" (2014, in Finnish only) is available online on the FCCA website, at <http://www.kkv.fi/en/current-issues/press-releases/2014/finnish-competition-and-consumer-authority-numerous-problems-on-the-copyright-market/>. Visited on 6.5.2015.

<sup>50</sup> From the perspective of competition, the availability of information on pricing principles is of importance in order to better estimate the costs of the use of works. According to the FCCA, pricing practices of CMOs that treat different technologies unequally without objective reason are detrimental to the development of the sector. Furthermore, the FCCA report questions the necessity of certain contractual clauses found in the agreements between authors and collective management organizations, such as the exclusivity clauses and restrictions on the transfer of rights.

<sup>51</sup> Approval decisions are available for no charge at the Ministry's archive/registry, with the exception of confidential information. Photocopying of the documents is subject to a charge. Source: Ministry of Education and Culture's website, at [http://www.minedu.fi/OPM/Yhteystiedot\\_ja\\_asiointi/asiointi/arkistopalvelut/?lang=fi](http://www.minedu.fi/OPM/Yhteystiedot_ja_asiointi/asiointi/arkistopalvelut/?lang=fi). Visited on 6.7.2015.

<sup>52</sup> "Directive 2014/26/EU of the European Parliament and of the Council of 26 February 2014 on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market". The text of the Directive and related documents are available on the website of the European Union, at [http://ec.europa.eu/internal\\_market/copyright/management/index\\_en.htm](http://ec.europa.eu/internal_market/copyright/management/index_en.htm). Visited on 11.6.2015.

- the general meeting of the members of a CMO decides on the key matters within the collective management organization, in particular the key policies such as the distribution and the investment of the collected revenue and the rules on deductions from the collected revenue;
- a supervisory function is established to monitor the activities of the CMOs in the interest of the right holders;
- CMOs are managed in a prudent manner, using sound administrative, accounting and internal control procedures;
- CMOs keep and manage revenues collected in the name of their members separately from their own assets and cannot use them for their own account;
- CMOs operate with sufficient transparency, in particular by providing detailed information on the collected revenue and the deductions, the repertoire they represent, their structure (their statute, the membership terms, the available dispute resolution mechanisms, etc.) and their financial management;
- CMOs regularly and diligently pay royalties to right holders (no later than nine months from the end of the financial year in which the amounts were collected).

Member States should transpose the provisions of the Directive into their national laws by 10 April 2016. At the time of writing this report, the implementation of the directive in Finland was ongoing.

## **SECTION 2. DESCRIPTION OF COLLECTIVE MANAGEMENT ORGANIZATIONS IN FINLAND**

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In this section the operations of the Finnish collective management organizations are described. Aspects presented include right holder categories represented, clients and members of the CMO, and terms for the collection and distribution of remunerations and compensations. However, these categories of revenue are not always easy to distinguish, and not every CMO distribute compensations to their clients and members. Therefore, for the purposes of this report, the term “remunerations” is used to include remunerations and compensations, and covers all types of revenue collected, administered and distributed by CMOs on behalf of right holders for the use of their works. This section also presents the volume of remunerations and compensations administered by each CMO; this amount includes the remunerations collected directly by the CMOs themselves but also other types of copyright revenue that they are in charge of distributing to their members, such as remunerations collected by CMOs abroad on behalf of Finnish right holders according to the terms of reciprocal representation contracts, compensations for private copying, etc.

Some CMOs contribute to special funds or finance activities with the purpose of developing and promoting culture in the fields of activity of their clients and members. These contributions to culture are also described in this section. The description sheet also recommends describing possible instances of CMOs devoting a part of their income to socially benefit artists in their fields, for example through pension funds. However, this is not the case in Finland where social needs of artists are covered through the national social security system.

CMOs represent the interests of the right holders affiliated to their services. These right holders are called either members, clients or right holder customers. Some CMOs allow only registered associations of right holders to become members while other CMOs may grant membership also to individual right holders.

Table 8 at the end of the section summarizes certain organizational aspects of the Finnish CMOs.

The Finnish actors' copyright society Filmex was founded in 2013 by the Finnish Actors' Union. The purpose of the association is to promote and manage the rights of actors whose performances have been recorded or made available to the public as a part of an audio or audiovisual work. The goal of the association is to negotiate and grant licenses on behalf of individual right holders as well as to collect and distribute remunerations for different kinds of uses of audio and audiovisual works.<sup>54</sup> However, due to the short history of the CMO, these operations have not yet started (excluding certain remunerations collected in Sweden and distributed by Filmex).

### ▪ RIGHT HOLDER CATEGORIES REPRESENTED

Filmex represents Finnish and foreign actors working in the audiovisual industry and manages their rights especially in the context of new distribution channels of audiovisual productions.

According to Filmex, the association has been founded in order to separate collective management of actors' rights from the operations of the Finnish Actors' Union. Hence, the services of the society are available also to right holder clients who are not members of union.<sup>54</sup>

### ▪ CLIENTS AND MEMBERS OF FILMEX<sup>54</sup>

Individual performers may entrust Filmex with the exclusive management of their rights through an affiliation agreement and become clients of the CMO regardless of the number of productions they have participated in.

According to Filmex, the CMO currently represents approximately 1 560 Finnish right holder clients. In addition, the association has one member organization, the Finnish Actors' Union.

### ▪ TERMS OF COLLECTION AND DISTRIBUTION OF REMUNERATIONS<sup>54</sup>

When becoming clients of Filmex, performing artists entrust the society with the exclusive management of their economic rights resulting from copyright legislation.<sup>55</sup> However, it is left to the board of the association to define the actual scope of the assignment. At the moment, the affiliation agreement of the CMO covers the following three areas:<sup>56</sup>

1. Remunerations and compensations administered by Kopiosto (e.g. fair compensation for private copying<sup>57</sup>, retransmission of radio and television transmissions<sup>58</sup>, use of radio or television programs for educational activities or scientific research<sup>59</sup>, online recording services of television programs<sup>60</sup>)
2. Monitoring of rights concerning the DVD recordings of MTV Oy (a Finnish media company)

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<sup>53</sup> In Finnish: Näyttelijöiden Tekijänoikeusjärjestö Filmex ry.

<sup>54</sup> Sources: Interview with Filmex (1.10.2015); Filmex' website, at <http://www.filmex.fi/>. Visited on 10.12.2015.

<sup>55</sup> Source: Client Agreement of Filmex (in Finnish), available at <http://www.filmex.fi/wp-content/uploads/2015/11/filmex-asiakassopimus-1.0.pdf>. Visited on 10.12.2015.

<sup>56</sup> Source: Filmex' website, at <http://www.filmex.fi/asiakkuus/>. Visited on 10.12.2015.

<sup>57</sup> Copyright Act Section 26 a.

<sup>58</sup> Copyright Act, Section 25 h.

<sup>59</sup> Copyright Act, Section 14 (1).

<sup>60</sup> Copyright Act, Section 25 l; in force since 1.6.2015. Kopiosto has been approved to administer this category of extended collective licenses concerning categories of works and subject matter not represented by Gramex (sound recordings and musical performances), Teosto (musical works) or Tuotos (rights of audiovisual producers) for 2015–2019.

3. Distribution of remunerations collected by foreign CMOs (based on reciprocal representation contracts).

According to Filmex, their goal is to create a practice similar to other Nordic countries where the right of an actor to receive a remuneration for his/her performance would be connected to the success of the production (royalty) and to conditions defined in a collective labor agreement or a separate collective copyright agreement.<sup>61</sup> The current practice in Finland is that actors typically assign all their rights to production companies with a lump sum remuneration defined in individual employment contracts. No collective bargaining has taken place.

By the time of this study, Filmex had distributed two sets of remunerations collected in 2013 and 2014 by a Swedish CMO representing actors. These remunerations distributed to individual performers amounted to approximately 150 000 euros in total.

Collection and distribution of remunerations is already based on actual use. In the future, the goal is to distribute remunerations and compensations to individual clients on the basis of the significance of their roles.

▪ **CONTRIBUTION TO CULTURE<sup>54</sup>**

At the moment, Filmex distributes all remunerations and compensations directly to individual right holders.

▪ **SUMMARY**

<b>Table 1. Summary table: Filmex</b>	
Year of establishment	2013
Right holder categories represented	Actors working in the audio/audiovisual industry
Competing CMOs	No competitors established in Finland
Number of right holders represented	1 560 Finnish right holders
Extended collective licenses	none
Special remuneration and compensation schemes	none <sup>62</sup>
Do right holders transfer all rights to the CMO?	Yes <sup>63</sup>
Volume of remunerations and compensations administered	Collected none, distributed in 2015: 150 000 € <sup>54</sup>
Availability of annual reports	None drafted yet; will be available in the future.
Availability of price lists	Licensing schemes and tariffs in course of preparation.

<sup>61</sup> Ideally, the distribution of remunerations would be based on the proportions of wages of each actor in a specific audio or audiovisual work. The received remuneration would then reflect the significance of the role played by each right holder. Evidently, the CMO would in this case be required to get access to information concerning wages paid in each production (information either from production or distribution companies).

<sup>62</sup> At the moment, remunerations and compensations that members of Filmex are entitled to are collected and distributed by Kopiosto (excluding remunerations collected abroad). Individual right holders assign their rights to Filmex, which in turn transfers the rights further to Kopiosto.

<sup>63</sup> The clients transfer all economic rights of a performing artist to Filmex; see the client agreement of Filmex (in Finnish), at <http://www.filmex.fi/wp-content/uploads/2015/11/filmex-asiakassopimus-1.0.pdf>. Visited on 10.12.2015.

Gramex was established in 1967 to implement collective administration of rights for performers and phonograms producers. The purpose of the society is to administer and promote the rights of performers whose performances have been recorded on phonograms and the rights of producers of phonograms, to collect and distribute remunerations for the use of phonograms, as well as to promote the general conditions of Finnish performing music and phonogram production.<sup>65</sup>

▪ **RIGHT HOLDER CATEGORIES REPRESENTED**

Gramex is responsible for the management of rights of performing artists whose performances have been recorded and of producers of phonograms. As a result, Gramex deals mainly with the category of rights called “related rights” (the rights of performing artists and producers of sound recordings).

The sections of the Finnish Copyright Act significant with regard to the operations of Gramex are Section 14 (use of sound recordings for educational activities and scientific research), Section 25 f (ephemeral recording for radio and television transmission), Section 25 l (online recording service of television programs), Section 45 (rights of performing artists), Section 46 (rights of producers of sound recordings), Section 46 a (rights of producers of video recordings<sup>66</sup>), Sections 46 c and 46 d (supplementary remuneration for performing artists), Section 47 (some uses of audio recordings and music recordings containing images) and Section 47 a (remuneration for the uses described in Section 47). Gramex also has a role in the extended collective license arrangement concerning the retransmission of a radio or television transmission in Finland or abroad<sup>67</sup>, since Kopiosto, the CMO approved for managing it, has an obligation to negotiate with Gramex.

▪ **CLIENTS AND MEMBERS OF GRAMEX**

A right holder, who has produced a phonogram (producer) or whose performance of a literary or artistic work or folklore has been recorded on a phonogram (performing artist), may become a client of Gramex by signing an affiliation agreement.

In addition, any registered association whose members are entitled to copyright remuneration as performing artists or producers of phonograms may become a member organization of Gramex. At present, Gramex has three member organizations:

- The Finnish Musicians' Union;
- The Association of Recording and Performing Artists in Finland (SOLO); and
- IFPI Finland (Musiikkituottajat).

In 2014, Gramex represented 45 132 artists and 17 077 producers<sup>68</sup>.

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<sup>64</sup> In Finnish: Esittävien taiteilijoiden ja äänitteiden tuottajien tekijänoikeusyhdistys GRAMEX r.y.

<sup>65</sup> Source: Gramex’s website, “What is Gramex?”, at [http://www.gramex.fi/en/what\\_is\\_gramex](http://www.gramex.fi/en/what_is_gramex). Visited on 26.6.2015.

<sup>66</sup> Gramex grants licenses and collects remunerations for the public performance of music videos in public places and events on behalf of both performing artists and producers of video recordings. Licenses to use music videos in television are administered by Gramex only on behalf of performing artists, whereas the rights of producers of music videos concerning TV use are managed by IFPI Finland. Remunerations for both categories of use are distributed to video producers by IFPI Finland and to performing artists by Gramex. Source: Gramex’ website, at [http://www.gramex.fi/fi/taiteilijat\\_ja\\_tuottajat/aanitteiden\\_tuottaja/musiikkivideot](http://www.gramex.fi/fi/taiteilijat_ja_tuottajat/aanitteiden_tuottaja/musiikkivideot). Visited on 10.12.2015.

<sup>67</sup> Copyright Act, Section 25 h.

<sup>68</sup> Source: Annual report of Gramex 2014, p. 7, available (in Finnish) at [http://www.gramex.fi/easydata/customers/gramex/files/toimintakertomukset/gramex\\_toimintakertomus\\_2014\\_web.pdf](http://www.gramex.fi/easydata/customers/gramex/files/toimintakertomukset/gramex_toimintakertomus_2014_web.pdf). Visited on 17.6.2015.

## ▪ TERMS OF COLLECTION AND DISTRIBUTION OF REMUNERATIONS

Remunerations are collected for various types of uses where a phonogram or a music video is communicated or made available to the public, or dubbed<sup>69</sup>. Two main categories of use licensed by Gramex are the public performance of phonographic music and the use of phonograms in radio broadcasting.

When becoming clients of the society, right holders entrust the CMO with the exclusive management of the rights listed in the Client Agreement of Gramex. The board of Gramex may determine certain categories that the client may exclude from collective management. The exclusion categories concern the territory of the rights as well as the types of uses managed by the CMO.<sup>70</sup>

Before the remunerations are distributed to individual right holders, Gramex covers its administrative costs and sets in reserve a certain amount of the remunerations collected in accordance with its by-laws and client agreements. The terms of distribution are determined in the distribution rules of Gramex. According to the rules, the distributable sum is first divided equally between the producers and the performers. The producers' share is then divided in proportion to the actual durations of performances fixed in the phonogram tracks produced by each producer, while the performing artists' share is divided among performers featured on the tracks, in proportion to the actual durations of performances. In addition, Gramex may set in reserve shares of unnamed performing artists in order to secure non-members' right to remuneration.<sup>71</sup>

In 2014, Gramex administered a total amount of 20 523 000 €<sup>72</sup> of remunerations and compensations.

## ▪ CONTRIBUTION TO CULTURE

Gramex contributes to culture by supporting financially the activities of several Finnish associations and organizations promoting artistic work.<sup>73</sup>

## ▪ SUMMARY

Table 2. Summary table: Gramex	
Year of establishment	1967
Right holder categories represented	Performing artists, whose performances have been recorded on phonograms, and producers of phonograms <sup>74</sup>
Competing CMOs	No competitors established in Finland <sup>75</sup>
Number of right holders represented	2014: 45 132 artists and 17 077 producers <sup>68</sup>

<sup>69</sup> Re-recording of sound recordings.

<sup>70</sup> Source: Client agreement of Gramex (in Finnish), available at [http://www.gramex.fi/easydata/customers/gramex/files/pdf/asiakas\\_sop\\_1\\_yksit.pdf](http://www.gramex.fi/easydata/customers/gramex/files/pdf/asiakas_sop_1_yksit.pdf). Visited on 16.6.2015.

<sup>71</sup> For more information see Distribution rules of Gramex, available at [http://www.gramex.fi/en/what\\_is\\_gramex/distribution\\_rules](http://www.gramex.fi/en/what_is_gramex/distribution_rules). Visited on 1.7.2015. In practice, the distribution is based on various types of data, depending on the category of use. The data is mainly collected through reports provided by the users of works. When detailed data from users is not available, Gramex may also conduct studies to increase the accuracy of the distribution of remunerations and compensations; Interview with Gramex (29.9.2015).

<sup>72</sup> Source: Annual report of Gramex 2014, p. 4.

<sup>73</sup> The Finnish Music Foundation (MES), Esittävän säveltaiteen edistämissäätiö (ESES), Musiikkituotannon tuki- ja edistämissäätiö, Lyhty (Luovan työn tekijät ja yrittäjät), The Copyright Information and Anti-Piracy Center (CIAPC), Music Finland and Finnish Music Quarterly (FMQ) (Source: Annual report of Gramex 2014, p. 7).

<sup>74</sup> Source: Gramex's website, at [http://www.gramex.fi/en/what\\_is\\_gramex](http://www.gramex.fi/en/what_is_gramex). Visited on 1.7.2015.

<sup>75</sup> There are no competing CMOs representing the same right holder categories in Finland. However, according to Gramex, certain Finnish right holders have chosen to become clients of competing CMOs in other countries. Similarly, CMOs in other countries have the ability to negotiate and grant licenses to Finnish users for certain types of uses if their tariffs match the tariffs of Gramex.

Extended collective licenses	<ul style="list-style-type: none"> <li>- Use of sound recordings for educational activities and scientific research<sup>76</sup> (2012-2016)</li> <li>- Ephemeral recording for radio and television transmission (concerning sound recordings and performances stored on them)<sup>77</sup> (2014-2018)</li> <li>- Online recording service of television programmes, for the rights concerning sound recordings and musical performances (1.7.2015-2019)<sup>78</sup></li> </ul>
Special remuneration and compensation schemes	<ul style="list-style-type: none"> <li>- Remuneration for the public performance and communication to the public (concerning sound recordings)<sup>79</sup> (2011-2015)</li> <li>- Fair compensation for private copying of works of art (for performing artists and producers)<sup>80</sup> (until 31.12.2014)</li> <li>- Annual supplementary remuneration for performing artists<sup>81</sup></li> </ul>
Do right holders transfer all rights to the CMO?	No. Right holders entrust the CMO with the exclusive management of the rights listed in the Client Agreement of Gramex. The general meeting of the CMO decides to what extent the rights will be administered and what forms of use this administering applies to. <sup>70</sup>
Volume of remunerations and compensations administered	2014: 20 523 000 € <sup>82</sup>
Availability of annual reports	Available online <sup>68</sup>
Availability of price lists	Available online <sup>83</sup>

### ***C. KOPIOSTO***<sup>84</sup>

Kopioisto is an umbrella organization, established in 1978, for associations representing performing artists, authors and publishers. The purpose of the association is to facilitate certain categories of uses of protected works, to monitor the reuse of works and performances, to collect and distribute remunerations and to develop new services.<sup>85</sup>

#### ▪ **RIGHT HOLDER CATEGORIES REPRESENTED**

Kopioisto is responsible for the management of certain rights of authors, photographers, performing artists and publishers in all fields of creative work. In particular, Kopioisto manages the following categories of rights<sup>86</sup>:

<sup>76</sup> Copyright Act, Section 14.

<sup>77</sup> Copyright Act, Section 25 f; Gramex grants licenses for the public performance of music videos in places open to the public and in public events.

<sup>78</sup> Copyright Act, Section 25 l.

<sup>79</sup> Copyright Act, Section 47.

<sup>80</sup> Sources: Annual Report of Gramex 2014, p. 10; Copyright Act, Section 26 b.

<sup>81</sup> Copyright Act, Sections 46 c.

<sup>82</sup> Source: Annual report of Gramex 2014, p. 4.

<sup>83</sup> Price list available (in Finnish) on Gramex's website, at [http://www.gramex.fi/fi/musiikin\\_kayttosopimukset/korvaushinnasto\\_toimialoitain](http://www.gramex.fi/fi/musiikin_kayttosopimukset/korvaushinnasto_toimialoitain). Visited on 3.6.2015.

<sup>84</sup> In Finnish: Kopisto ry.

<sup>85</sup> Source: Kopioisto's website, "Kopioisto in brief", at [http://www.kopioisto.fi/kopioisto/kopioisto\\_in\\_brief/en\\_GB/kopioisto\\_in\\_brief/](http://www.kopioisto.fi/kopioisto/kopioisto_in_brief/en_GB/kopioisto_in_brief/). Visited on 16.6.2015.

<sup>86</sup> Source: Kopioisto's website, at [http://www.kopioisto.fi/kopioisto/palvelut\\_oikeudenomistajille/tekijanoikeussopimus/fi\\_FI/tekijanoikeussopimus/](http://www.kopioisto.fi/kopioisto/palvelut_oikeudenomistajille/tekijanoikeussopimus/fi_FI/tekijanoikeussopimus/). Visited on 11.12.2015.

- The right to retransmit television transmissions (audiovisual works);
- The mechanical reproduction rights in audio and audiovisual works (the reproduction of television and radio programs);
- The right of reprographic reproduction of printed and digital publications (photocopying and digital copying).

In addition, Kopiosto has been appointed to manage several categories of mass uses organized through extended collective licenses as well as to distribute compensations for private copying to producers of and performers in TV programs. Kopiosto also has a role in the implementation of the right to remuneration for public lending related to visual works.

#### ▪ CLIENTS AND MEMBERS OF KOPIOSTO

Registered associations representing copyright holders or collectively managing rights expressed in the Copyright Act (other CMOs) may become member organizations of Kopiosto. As Kopiosto represents copyright holders in several fields, its member organizations represent extensively different areas of copyrighted works. For the present, Kopiosto has 45 member organizations.<sup>87</sup>

Individual right holders, which are not members of any of Kopiosto's member organizations, may also become clients of Kopiosto by assigning a certain set of their rights to a member organization, which in turn transfers the exclusive management of these rights to Kopiosto. At the moment, this procedure concerns only certain categories of use of audio and audiovisual works for which remunerations are distributed directly to individual right holders.<sup>86</sup>

In 2014, Kopiosto represented over 50 000 right holders<sup>88</sup>.

#### ▪ TERMS OF COLLECTION AND DISTRIBUTION OF REMUNERATIONS

Right holders that are clients/members of Kopiosto's member organizations decide which rights they choose to transfer to those organizations, which in turn transfer the exclusive management of these rights further to Kopiosto in accordance with their cooperations agreements concerning the scope of the authorization.<sup>89</sup>

Remunerations for photocopying and digital copying are distributed to right holders via member organizations, remunerations for retransmission of television programs are distributed directly to right holders and remunerations for radio programs are distributed directly to right holders under the terms determined by relevant member organizations.

Remunerations for copying (photocopying and digital copying) are distributed to different member organizations based on proportions indicated by research performed by Kopiosto<sup>90</sup> as well as on negotiations with member organizations regarding the distribution.<sup>91</sup> Kopiosto invests a share of the

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<sup>87</sup> Member organizations of Kopiosto are listed online at [http://www.kopiosto.fi/kopiosto/kopiosto/fi\\_FI/jasenjarjestot/](http://www.kopiosto.fi/kopiosto/kopiosto/fi_FI/jasenjarjestot/). Visited on 1.7.2015.

<sup>88</sup> Source: Annual report of Kopiosto 2014, available (in Finnish) at: [http://www.e-julkaisu.fi/kopiosto/annual\\_report/2014/](http://www.e-julkaisu.fi/kopiosto/annual_report/2014/). Visited on 2.6.2015.

<sup>89</sup> Source: Kopiosto's website (in Finnish), at [http://www.kopiosto.fi/kopiosto/palvelut\\_oikeudenomistajille/kopiosto\\_valtakirja/fi\\_FI/](http://www.kopiosto.fi/kopiosto/palvelut_oikeudenomistajille/kopiosto_valtakirja/fi_FI/), and at [http://www.kopiosto.fi/kopiosto/palvelut\\_oikeudenomistajille/tekijanoikeussopimus/fi\\_FI/tekijanoikeussopimus/](http://www.kopiosto.fi/kopiosto/palvelut_oikeudenomistajille/tekijanoikeussopimus/fi_FI/tekijanoikeussopimus/). Visited on 11.12.2015.

<sup>90</sup> The studies concentrate on the types and the quantities of materials used.

<sup>91</sup> Source: Annual report of Kopiosto 2014, p. 18.

income from the remunerations collected before distributing them, and in 2014 the profits from investment activities were 455 547 €.92

In 2014, Kopiosto administered a total amount of 28 833 076 €93 of remunerations and compensations.

#### ▪ CONTRIBUTION TO CULTURE

The Promotion Centre for Audiovisual Culture (AVEK) operates in connection with Kopiosto. AVEK is responsible for the promotion of audiovisual culture. AVEK supports financially various operations and projects in the field of audiovisual culture (e.g. education, documentaries and concerts).94 The support distributed by AVEK is mainly funded from accumulated compensations for private copying.95

#### ▪ SUMMARY

Table 3. Summary table: Kopiosto	
Year of establishment	1978
Right holder categories represented	Authors, photographers, performing artists and publishers in all fields of creative work96
Competing CMOs	No competitors established in Finland
Number of right holders represented	2014: over 50 000 right holders88
Extended collective licenses	<ul style="list-style-type: none"> <li>- Retransmission of a radio or television transmission97 (until the end of 2015)</li> <li>- Use of works and other material included in a radio or television program for educational activities or scientific research98 (2013-2017)</li> <li>- Use of digital works for educational activities or scientific research99 (2012-2016)</li> <li>- Use of some works (other works and photographs included in a literary work, other photographic works and the photographs described in Section 49 of the Copyright Act) in archives, libraries and museums100 (2012-2016)</li> <li>- Photocopying101 (2012-2016)</li> <li>- Use for internal communication102 (2015-2019)</li> <li>- Reuse of a television program, newspaper or a magazine stored in an archive, concerning newspapers and magazines103 (2015-2019)</li> </ul>

92 Source: Annual report of Kopiosto 2014, p. 12.

93 Source: Annual report of Kopiosto 2014, p. 13.

94 Source: The website of AVEK, at [http://www.kopiosto.fi/avek/en\\_GB/](http://www.kopiosto.fi/avek/en_GB/). Visited on 3.6.2015.

95 Annual report of AVEK 2013–2014, available (in Finnish) at [http://www.kopiosto.fi/avek/avek/avek\\_lyhyesti/fi\\_FI/toimintakertomus/](http://www.kopiosto.fi/avek/avek/avek_lyhyesti/fi_FI/toimintakertomus/). Visited on 3.6.2015.

96 “Kopiosto represents roughly 50,000 Finnish copyrights owners who belong to 45 member organizations representing authors, photographers, performing artists and publishers in all fields of creative work.” Source: Kopiosto’s website, at [http://www.kopiosto.fi/kopiosto/etusivu/en\\_GB/front\\_page/](http://www.kopiosto.fi/kopiosto/etusivu/en_GB/front_page/). Visited on 5.5.2015.

97 Copyright Act, Section 25 h, valid until the end of 2015. Kopiosto has an obligation to negotiate with Tuotos and Gramex. Source: Ministry of Education and Culture’s website, at [http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien\\_hallinnointi\\_ja\\_hankinta/sopimuslisenssit/index.html](http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien_hallinnointi_ja_hankinta/sopimuslisenssit/index.html). Visited on 18.6.2015.

98 Copyright Act, Section 14 (1).

99 Copyright Act, Section 14 (1), concerning digital copying and transmission.

100 Copyright Act, Sections 16 d and 16 e.

101 Copyright Act, Section 13.

102 Copyright Act, Section 13 a.

103 Copyright Act, Section 25 g.

	- Online recording service of television programs, concerning categories of works and subject matter not represented by Gramex, Teosto or Tuotos (2015-2019) <sup>104</sup>
Special remuneration and compensation schemes	- Public lending of visual works <sup>105</sup> (2012-2016) - Fair compensation for private copying of works of art (for producers of and performers in TV programs) <sup>106</sup> (until 31.12.2014)
Do right holders transfer all rights to the CMO?	No. Right holders transfer a set of rights to Kopiosto's member organizations, which in turn negotiate with Kopiosto on the rights to be exclusively managed by Kopiosto. <sup>89</sup>
Volume of remunerations and compensations administered	2014: 28 833 076 € <sup>107</sup>
Availability of annual reports	Available online <sup>88</sup>
Availability of price lists	Available online <sup>108</sup>

#### ***D. COPYRIGHT ASSOCIATION OF ARTISTS WORKING IN THE FIELD OF VISUAL ARTS KUVASTO<sup>109</sup>***

Kuvasto, founded in 1987, is a copyright society for artists working in the field of visual arts. Its purpose is to look after the rights of visual artists under copyright legislation and promote the conditions for using visual art.<sup>110</sup>

##### **▪ RIGHT HOLDER CATEGORIES REPRESENTED**

Kuvasto is responsible for the management of the rights of visual artists, assigns permissions for the use of the works of artist clients and collects exhibition fees for the display of works owned by the artists.<sup>111</sup> Kuvasto collects remunerations for rights related to resale and reproduction of works as well as to exhibitions, online use of artistic works, marketing and television transmissions.

##### **▪ CLIENTS AND MEMBERS OF KUVASTO**

A right holder who has created or inherited the rights on a work of art may become a client of Kuvasto by entering into an agreement directly with the CMO.<sup>112</sup> Clients of Kuvasto may also be accepted as members of the association by the board of Kuvasto, which gives them the possibility to influence the operation of the CMO.<sup>113</sup>

For the present Kuvasto has, in addition to individual clients, eight member organizations:

<sup>104</sup> Copyright Act, Section 25 l; in force since 1.6.2015.

<sup>105</sup> Copyright Act, Section 19.

<sup>106</sup> Sources: Copyright Act Section 26 b & Annual report of Kopiosto 2014, p. 21.

<sup>107</sup> Source: Annual report of Kopiosto 2014, p. 13.

<sup>108</sup> Price list available for example concerning the distribution of TV channels in hotels and cruise ships, available (in Finnish) at [http://www.kopiosto.fi/kopiosto/teosten\\_kayttoluvat/tv\\_kanavien\\_jakeluluvat/hotellit\\_ja\\_laivat/fi\\_FI/hotellit\\_ja\\_laivat/](http://www.kopiosto.fi/kopiosto/teosten_kayttoluvat/tv_kanavien_jakeluluvat/hotellit_ja_laivat/fi_FI/hotellit_ja_laivat/). Visited on 3.6.2015. Full and extensive price list not available.

<sup>109</sup> In Finnish: Visuaalisen alan taiteilijoiden tekijänoikeusyhdistys KUVASTO ry.

<sup>110</sup> Source: Kuvasto website, "About Kuvasto", at <http://kuvasto.fi/in-english/>. Visited on 26.6.2015.

<sup>111</sup> Source: Kuvasto website, "Copyright remunerations managed by Kuvasto", at <http://kuvasto.fi/in-english/>. Visited on 26.6.2015.

<sup>112</sup> A list of individual clients is provided online, at <http://kuvasto.fi/taiteilijaluettelo/>. Visited on 3.7.2015.

<sup>113</sup> According to Kuvasto, the association has only organizational members at the moment. Sources: Bylaws of Kuvasto, available in Finnish at <http://kuvasto.fi/kuvaston-saannot/>, visited on 11.12.2015; Interview with Kuvasto (30.9.2015).

- Artists' Association of Finland (Suomen Taiteilijaseura)
- Finnish Painters' Union (Taidemaalariiliitto)
- Association of Finnish Sculptors (Suomen Kuvanveistäjäliitto)
- The Association of Finnish Printmakers (Suomen Taidegraafikot ry)
- Union of Finnish Art Associations (Suomen Kuvataidejärjestöjen Liitto)
- The Union of Artist Photographers (Valokuvataiteilijoiden Liitto)
- Artist Association MUU (MUU ry)
- Finnish Association of Designers Ornamo (Teollisuustaitteen Liitto Ornamo).<sup>114</sup>

Each member organization has a representative in the board of Kuvasto. The role of the member organizations of the association is to steer the operations of Kuvasto and to promote the interests of their own members.<sup>115</sup>

In 2014, Kuvasto represented approximately 2 100 Finnish visual artists and 50 000 foreign artists<sup>116</sup>.

#### ▪ TERMS OF COLLECTION AND DISTRIBUTION OF REMUNERATIONS

When becoming clients of Kuvasto, right holders entrust the CMO with the exclusive management of their rights, present and future, resulting from copyright legislation.<sup>117</sup> Remunerations and compensations collected are distributed to individual right holders mainly during the following year after collection.<sup>116</sup>

Unlike in larger collective management organizations, the payments to right holder clients are made by a separate accounting firm (Accountor). However, the distribution of remunerations is managed by Kuvasto, meaning that all payments made by Accountor are based on assignments provided by the CMO.<sup>118</sup> The tariffs are determined by Kuvasto independently (excluding remuneration for resale<sup>119</sup>) on the basis of various factors, such as the context of usage and the print run of a publication.<sup>120</sup>

In 2014, Kuvasto administered a total amount of 593 519 € of remunerations and compensations, excluding a separate copyright remuneration for the digital use of works by the Finnish National Gallery paid to Kuvasto in 2014, the distribution of which is divided over several years.<sup>116</sup>

#### ▪ CONTRIBUTION TO CULTURE

The VISEK<sup>121</sup> Centre for the Promotion of Visual Art, operating in conjunction with Kuvasto, promotes audiovisual and digital art. The annual grants of VISEK are funded from the private copying compensation allocated to VISEK by decision of the Finnish Ministry of Education and Culture.<sup>116</sup>

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<sup>114</sup> A list of member organizations is provided online in Finnish, at <http://kuvasto.fi/tietoa-kuvastosta/>. Visited on 3. 7.2015.

<sup>115</sup> Source: Kuvasto's website, at <http://kuvasto.fi/tietoa-kuvastosta/>. Visited on 11.12.2015.

<sup>116</sup> Sources: Annual report of Kuvasto 2014, available (in Finnish) at [http://kuvasto.fi/hallinta/wp-content/uploads/2014/12/kuvasto\\_vuosikertomus\\_verkko.pdf](http://kuvasto.fi/hallinta/wp-content/uploads/2014/12/kuvasto_vuosikertomus_verkko.pdf). Visited on 31.10.2015; Email from Kuvasto (10.12.2015).

<sup>117</sup> Source: Client agreement of Kuvasto (in Finnish), available at [http://kuvasto.fi/hallinta/wp-content/uploads/2014/12/ASIAKASSOPIMUS\\_Kuvasto.pdf](http://kuvasto.fi/hallinta/wp-content/uploads/2014/12/ASIAKASSOPIMUS_Kuvasto.pdf). Visited on 2.7.2015.

<sup>118</sup> Source: Interview with Kuvasto (30.9.2015)

<sup>119</sup> The level of remunerations for the resale of works of fine art has been determined in Section 26 i (2) of the Copyright Act as a proportion of the sale price.

<sup>120</sup> Source: Price list of Kuvasto (in Finnish), at <http://kuvasto.fi/hinnasto/>. Visited on 2.7.2015.

<sup>121</sup> Visuaalisen taiteen edistämiskeskus.

▪ **SUMMARY**

<b>Table 4. Summary table: Kuvasto</b>	
Year of establishment	1987
Right holder categories represented	Artists working in the field of visual arts
Competing CMOs	No competitors established in Finland
Number of right holders represented	2014: 2 200 Finnish artists and 50 000 foreign artists <sup>115</sup>
Extended collective licenses	<ul style="list-style-type: none"> <li>- Use of visual art works in archives, libraries and museums<sup>122</sup> (2012-2016)</li> <li>- Use of works of art in catalogues<sup>123</sup> (2012-2016)</li> <li>- Use of visual art works in original television transmissions<sup>124</sup> (2012-2016)</li> <li>- Ephemeral recording for radio and television transmission of works of visual art<sup>125</sup> (2012-2016)<sup>126</sup></li> </ul>
Special remuneration and compensation schemes	<ul style="list-style-type: none"> <li>- Remuneration for acts of resale of works of fine art<sup>127</sup> (2011-2015)</li> </ul>
Do right holders transfer all rights to the CMO?	Yes <sup>117</sup>
Volume of remunerations and compensations administered	2014: 593 519 € <sup>116</sup>
Availability of annual reports	Available online <sup>116</sup>
Availability of price lists	Available online <sup>120</sup>

**E. SANASTO<sup>128</sup>**

Sanasto is a Finnish copyright society founded in 2005 to represent literary copyright holders. The purpose of the society is to promote, monitor and manage the rights of literary copyright holders in Finland and abroad.<sup>129</sup>

▪ **RIGHT HOLDER CATEGORIES REPRESENTED**

Sanasto is responsible for the management of the rights of all writers: authors, translators, poets, editors and non-fiction writers. Sanasto has been appointed to manage several extended collective licenses related to written works (i.e. use of literary works in archives, libraries and museums and in original radio and television transmissions, as well as ephemeral recording for radio and television transmission of literary works), the compensations paid for textbooks sold on the basis of regulations on statutory licenses (which covers the sale of textbooks for print disabled<sup>130</sup>), the compensations paid

<sup>122</sup> Copyright Act, Sections 16 d and 16 e.

<sup>123</sup> Copyright Act, Section 25 a.

<sup>124</sup> Copyright Act, Section 25 f.

<sup>125</sup> Copyright Act, Section 25 f.

<sup>126</sup> The representative of Kuvasto interviewed however felt that this provision is irrelevant to their operations.

<sup>127</sup> The level of remunerations for the resale of works of fine art has been determined in Section 26 i (2) of the Copyright Act as a proportion of the sale price.

<sup>128</sup> In Finnish: Sanasto ry.

<sup>129</sup> Source: Sanasto's website, at <http://www.sanasto.fi/front-page/>. Visited on 26.6.2015.

<sup>130</sup> Section 17 of the Copyright Act refers to "people with visual impairments and others who, owing to a disability or illness, cannot use the works in the ordinary manner".

within the Celia book lending system for print disabled<sup>131</sup> and the distribution of remunerations within the public lending right scheme. In addition, Sanasto grants licenses to public performance of works of literature as well as to the use of existing works in new publications (e.g. literary works included in educational publications).<sup>132</sup>

#### ▪ CLIENTS AND MEMBERS OF SANASTO

Registered associations whose purpose is to protect and promote the rights of authors of literary works may become member organizations of Sanasto. For the present, Sanasto has four member organizations:

- The Union of Finnish Writers (Suomen Kirjailijaliitto ry),
- The Finnish Association of Non-fiction Writers (Suomen Tietokirjailijat ry),
- The Society of Swedish Authors in Finland (Finlands svenska författareförening rf) and
- The Finnish Association of Translators and Interpreters (Suomen kääntäjien ja tulkkien liitto ry).<sup>133</sup>

At the end of 2014, Sanasto represented 5 209 writers through its member organizations<sup>134</sup>.

#### ▪ TERMS OF COLLECTION AND DISTRIBUTION OF REMUNERATIONS

When becoming clients of Sanasto, right holders entrust the CMO with the exclusive management of the rights they choose to transfer. Clients grant a power of attorney and indicate the rights they agree to transfer for collective management.<sup>135</sup> As clients of Sanasto are not required to transfer all rights exclusively to Sanasto, the user of a copyrighted work may contract directly with the right holder in cases other than those managed through extended collective licenses or compulsory licenses.

All the remunerations collected by Sanasto are distributed to individual right holders on the basis of actual use and exact data from licensees and users of works. For example, concerning public lending rights, payments are made to right holders by reference to the number of occasions on which their works are lent out from a selected sample (50 %) of loans made in public libraries.<sup>136</sup> Remunerations for media use (radio and TV) and public performance are distributed directly based of the tariffs and the exact reports provided by the users of works. Remunerations for the sales of textbooks for visually impaired are distributed on the basis of sales statistics. Remunerations paid within the Celia book lending system for visually impaired are distributed on the basis of lending data.<sup>137</sup>

The board of Sanasto decides annually upon the tariffs for the use of works other than remuneration within the public library lending rights scheme and remuneration within the Celia book lending system. Price lists covering the most forms of use of copyrighted works are available online.<sup>137</sup>

In 2014, Sanasto administered a total amount of 3 810 418 € of remunerations and compensations.<sup>138</sup>

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<sup>131</sup> Website of Celia library at <http://www.celia.fi/eng/>. Visited on 3.6.2015.

<sup>132</sup> Source: Interview with Sanasto (30.9.2015)

<sup>133</sup> Source: Sanasto's website, "Hyödyllisiä linkkejä" (in Finnish), at <http://www.sanasto.fi/faq/hyodyllisia-linkkejä/>. Visited on 3.7.2015.

<sup>134</sup> Source: Annual report of Sanasto 2014, available (in Finnish) at: <http://sanasto-fi-bin.directo.fi/@Bin/edab49f10a1d399c1b9abe7491d6b426/1433251256/application/pdf/567295/Vuosikertomus%202014.pdf> Visited on 2.6.2015. According to Sanasto, the number of right holders represented is continuously increasing (9/2015: 5 683) as the society allocates human resources into finding new right holder clients and actively contacting them; Interview with Sanasto (30.9.2015).

<sup>135</sup> Source: Sanasto's website (in Finnish), at <http://www.sanasto.fi/tekijalle/asiakkuus/>. Visited on 2.7.2015.

<sup>136</sup> Source: Sanasto's website, "PLR", at <https://sanasto-fi.directo.fi/front-page/plr/>. Visited on 2.7.2015.

<sup>137</sup> These price lists are available (in Finnish) at <http://www.sanasto.fi/luvat2/>. Visited on 3.6.2015.

<sup>138</sup> Source: Annual report of Sanasto 2014, p. 9.

## ▪ CONTRIBUTION TO CULTURE

All remunerations collected by Sanasto are distributed to individual right holders. However, a certain share of the proceeds of investments made by Sanasto is directed to a copyright fund "Kirjallisuuden tekijänoikeusrahasto" operating under Sanasto. The purpose of the fund is to promote the rights of literary copyright holders in Finland. The funds are allocated to collective purposes (e.g. lobbying, the Sanasto Award, promotion of reading) by the board of Sanasto.<sup>132</sup>

One of the projects financed through the fund is the "Kirja elää" campaign which is coordinated by Sanasto. The campaign aims to affect the level of remunerations allocated from the state budget for the public lending right scheme and the inclusion of education and research libraries in the sphere of public lending right.<sup>139</sup>

## ▪ SUMMARY

Table 5. Summary table: Sanasto	
Year of establishment	2005
Right holder categories represented	All writers: authors, translators, poets, editors and non-fiction writers <sup>129</sup>
Competing CMOs	No competitors established in Finland
Number of right holders represented	2014: 5 209 writers <sup>134</sup>
Extended collective licenses	<ul style="list-style-type: none"> <li>- Use of literary works in archives, libraries and museums<sup>140</sup> (2012-2016)</li> <li>- Use of literary works in original radio and television transmissions<sup>141</sup> (2014-2018)</li> <li>- Ephemeral recording for radio and television transmission of literary works<sup>142</sup> (2014-2018)</li> </ul>
Special remuneration and compensation schemes	<ul style="list-style-type: none"> <li>- Textbooks for print disabled<sup>143</sup></li> <li>- Public lending right for written works<sup>144</sup> (2012-2016)</li> </ul>
Do right holders transfer all rights to the CMO?	No <sup>135</sup>
Volume of remunerations and compensations administered	2014: 3 810 418 € <sup>138</sup>
Availability of annual reports	Available online <sup>134</sup>
Availability of price lists	Available online <sup>145</sup>

<sup>139</sup> Source: Website of the Kirja elää campaign, at <http://www.kirjaelää.fi/>. Visited on 3.6.2015.

<sup>140</sup> Copyright Act, Sections 16 d and 16 e.

<sup>141</sup> Copyright Act, Section 25 f.

<sup>142</sup> Copyright Act, Section 25 f.

<sup>143</sup> Copyright Act, Section 17.

<sup>144</sup> Copyright Act, Section 19.

<sup>145</sup> Price lists are not comprehensive but rather guiding as only the most common forms of use of copyrighted works are covered. These price lists are available (in Finnish) on Sanasto's website, at <http://www.sanasto.fi/luvat2/>. Visited on 3.6.2015.

Teosto, the Finnish Composers' Copyright Society, was founded in 1928 to represent music authors and publishers. Its purpose is to enable successful professional music-making in Finland by collecting and distributing to music authors and music publishers remunerations for public performances and recordings of their music, selling and developing services for its customers' music use needs, as well as promoting diversity in, awareness of and performances of Finnish music.<sup>147</sup>

▪ **RIGHT HOLDER CATEGORIES REPRESENTED**

Teosto is responsible for the management of rights of composers, lyricists, arrangers and music publishers. Teosto specifically manages the following categories of rights<sup>148</sup>:

- The right of public performance and making available to the public (offline, e.g. music played and performed in public places, transmissions of live and recorded performances on radio and television; online, e.g. mobile and internet use)
- The mechanical reproduction rights in musical works (the reproduction of works in CDs, tapes, vinyl records, cassettes, mini-discs, or any other form of copying, including digital formats/online use).

In addition, Teosto has been appointed to manage several extended collective licenses and statutory licenses in the field of musical works. Teosto was also responsible for collecting and administering the private copying levy in Finland until a recent change in the fair compensation system. From 2015 onwards the role of Teosto is to distribute the funds allocated by the Ministry of Education and Culture to the right holders represented by Teosto.<sup>149</sup>

▪ **CLIENTS AND MEMBERS OF TEOSTO**

Individuals or organizations holding a right to at least one composition, lyric, arrangement or translation that has been publicly performed or that has been mechanically reproduced as an audio or audiovisual recording may become a client of Teosto.<sup>150</sup>

Right holders, who have been clients of Teosto for a minimum of four years and have received remuneration payments for at least two distribution periods, may become ordinary members of Teosto. The board of Teosto grants ordinary membership on application. Ordinary members are entitled to attend general meetings of the society and participate in decision-making. Teosto has more than 700 ordinary members.

In addition to individual right holder members, Teosto has four right holder organizations as members, including:

- The Society of Finnish Composers,
- The Guild of Light Music Composers and Authors in Finland (Elvis),
- The Finnish Music Publishers Association and
- The Union of Finnish Writers.<sup>151</sup>

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<sup>146</sup> In Finnish: Säveltäjien Tekijänoikeustoimisto Teosto r.y.

<sup>147</sup> Source: Teosto's website, "Info corner", at <https://www.teosto.fi/en/teosto>. Visited on 26.6.2015.

<sup>148</sup> Source: Membership Agreement of Teosto, article 2, available at [https://www.teosto.fi/sites/default/files/files/SE13\\_Teosto%20Membership%20agreement\\_%20articles.pdf](https://www.teosto.fi/sites/default/files/files/SE13_Teosto%20Membership%20agreement_%20articles.pdf). Visited on 25.10.2015.

<sup>149</sup> Following a decision by the Parliament of Finland in December 2014 on a revision to the Copyright Act, the compensation for private copying is funded from the state budget from the beginning of 2015.

<sup>150</sup> Source: Teosto's website, "Become a member", at <http://www.teosto.fi/en/teosto/articles/become-member>. Visited on 2.7.2015.

<sup>151</sup> Source: Teosto's website, "How to become a Teosto ordinary member", at <http://www.teosto.fi/en/teosto/articles/how-become-teosto-ordinary-member>. Visited on 3.7.2015.

Teosto currently represents around 29 000 music authors<sup>150</sup>, and in 2014 the society distributed remunerations to 10 546 right holders.<sup>152</sup>

#### ▪ TERMS OF COLLECTION AND DISTRIBUTION OF REMUNERATIONS

Clients of Teosto transfer to the CMO the right to exclusively manage the economic rights to their works. The assignment of rights concerns works created both before and after the affiliation agreement has entered into force.<sup>153</sup> The Client Agreement of Teosto expressly mentions the right to make a work available to the public by public performance and by having a work rented or made available to the public by any other means, as well as rights concerning recordings of protected works.<sup>148</sup> The board of Teosto decides to what extent Teosto manages the rights transferred to it. The board may return the management of some of the rights back to right holders.<sup>154</sup> At the moment, an author can choose to self-administer rights to use music in *i.a.* dedicated audiovisual products, stage performances and games. In accordance with the national transposition of the collective rights management directive, a review of the self-administration scheme is under preparation.<sup>155</sup>

Teosto has detailed pricelists for different uses of music. Tariffs may depend on various factors such as the duration of a piece of music performed or played, the customer capacity of a venue (such as a restaurant) and the revenue from the tickets sold (concert).<sup>156</sup> The principle of non-discrimination is important in the collection and distribution of remunerations as the amount of remuneration that a right holder receives depends on the duration of the work and the area of use. The tariffs for different categories of use as well as the parameters of the distribution of remunerations are designed to reflect the volume and the value of use. As a general rule established in international contractual practice, the genre of music and the nationality of the right holder are irrelevant in the determination of remunerations distributed.<sup>157</sup>

As mentioned above, Teosto managed the collection of private copying levies until the end of 2014. Until then, the levy was included in the sales prices of blank media and recordable devices. From 2015 onwards, the compensation for private copying has been funded from the state budget.

In 2014, the remunerations collected amounted to 51 886 936 €. In addition, Teosto received 7 872 11.79 € of remunerations collected from other organizations and 352 429 € of remunerations for public lending to be distributed to the right holder clients. Teosto also collected 5 271 018.81 € of compensations for private copying on behalf of all types of right holders during the same year.<sup>158</sup>

#### ▪ CONTRIBUTION TO CULTURE

A certain amount of the remunerations collected is designated to cultural purposes. In 2014 Teosto allocated 3.4 million € for such purposes. In 2011, Teosto established a special fund, the purpose of

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<sup>152</sup> Source: Teosto's website (in Finnish), "Teoston vuosi 2014 lukuina", at <http://www.teosto.fi/vuosikertomus-2014/luvut-2014>. Visited on 2.7.2015.

<sup>153</sup> Source: Teosto's website, "Membership agreement in a nutshell", at <http://www.teosto.fi/en/teosto/articles/membership-agreement-nutshell>. Visited on 2.7.2015.

<sup>154</sup> Source: Membership Agreement of Teosto, article 3, available at [https://www.teosto.fi/sites/default/files/files/SE13\\_Teosto%20Membership%20agreement\\_%20articles.pdf](https://www.teosto.fi/sites/default/files/files/SE13_Teosto%20Membership%20agreement_%20articles.pdf). Visited on 2.7.2015.

<sup>155</sup> Sources: Teosto's website, "Membership agreement in a nutshell", at <http://www.teosto.fi/en/teosto/articles/membership-agreement-nutshell>. Visited on 2.7.2015; Interview with Teosto (15.10.2015).

<sup>156</sup> Price lists and grounds for determination of tariffs may be found from Teosto's website, at <http://www.teosto.fi/en/licensing>. Visited on 2.7.2015.

<sup>157</sup> Source: Interview with Teosto (15.10.2015).

<sup>158</sup> Source: Teosto's Income Statement for 2014, available at <http://www.teosto.fi/sites/default/files/files/Tilinp%C3%A4%C3%A4t%C3%B6s%20Eng%202014.pdf>. Visited on 2.7.2015.

which is to promote the creation of music. Through the proceeds of this fund, Teosto supports *i.a.* its member organizations.<sup>159</sup> In 2014, 48 % of Teosto's spendings for cultural purposes were conveyed to the Teosto fund, and 40 % were allocated to other organizations in charge of promoting music and/or right holders' interests (including Music Finland, Elvis, the Society of Finnish Composers, the Finnish Music Foundation, the Finnish Music Publishers Association and the Finnish Association for Church Music Composers). The remaining 12 % was used to finance other purposes, including score-based music support as well as foundations and funds associated with member organizations.<sup>160</sup>

▪ **SUMMARY**

<b>Table 6. Summary table: Teosto</b>	
Year of establishment	1928
Right holder categories represented	Composers, lyricists, arrangers and music publishers <sup>161</sup>
Competing CMOs	No competitors established in Finland
Number of right holders represented	29 000 music authors and publishers <sup>150</sup>
Extended collective licenses	<ul style="list-style-type: none"> <li>- Use of musical works in original radio and television transmissions<sup>162</sup> (2014-2018)</li> <li>- Ephemeral recording for radio and television transmission of musical works<sup>163</sup> (2014-2018)</li> <li>- Retransmissions of a radio or television transmission<sup>164</sup> (until the end of 2015)</li> <li>- Online recording service of television programs, for rights concerning musical works<sup>165</sup> (1.7.2015-2019)</li> </ul>
Special remuneration and compensation schemes	<ul style="list-style-type: none"> <li>- Public lending of copies of musical works<sup>166</sup> (2012-2016)</li> <li>- Fair compensation for private copying (until 31.12.2014)<sup>167</sup></li> </ul>
Do right holders transfer all rights to the CMO?	Yes <sup>148</sup> with the possibility of self-administration for designated uses
Volume of remunerations and compensations administered	In 2014: 65 409 415,77 € <sup>158</sup>
Availability of annual reports	Available online <sup>168</sup>
Availability of price lists	Available online <sup>156</sup>

<sup>159</sup> Source: Teosto's annual report 2011, p.16, available at [https://www.teosto.fi/sites/default/files/files/Annual\\_Report\\_2011.pdf](https://www.teosto.fi/sites/default/files/files/Annual_Report_2011.pdf). Visited on 3.7.2015.

<sup>160</sup> Source: Teosto's website, "The year in numbers", at <http://www.teosto.fi/en/annual-report/the-year-in-numbers>. Visited on 2.7.2015.

<sup>161</sup> Source: Teosto's website, at <https://www.teosto.fi/en/teosto/articles/what-teosto>. Visited on 5.5.2015.

<sup>162</sup> Copyright Act, Section 25 f.

<sup>163</sup> Copyright Act, Section 25 f.

<sup>164</sup> Copyright Act, Section 25 h.

<sup>165</sup> Copyright Act, Section 25 l.

<sup>166</sup> Copyright Act, Section 19.

<sup>167</sup> Copyright Act, Section 26 a.

<sup>168</sup> Annual report of Teosto 2014, available at: <http://www.teosto.fi/en/annual-report>. Visited on 2.7.2015.

Tuotos was founded in 1998 to represent audiovisual producers. The purpose of the society is to collectively license audiovisual works and to support the development of the audiovisual sector.<sup>170</sup>

▪ **RIGHT HOLDER CATEGORIES REPRESENTED**

Tuotos is responsible for the management of the rights of independent film and audiovisual producers.

Tuotos specifically manages the following categories of rights:

- The right of public performance and making available to the public (e.g. online recording service of television programs)
- The mechanical reproduction rights in audiovisual works (e.g. Use of works for educational activities and scientific research).<sup>171</sup>

▪ **CLIENTS AND MEMBERS OF TUOTOS**

A natural or legal person who holds a right related to copyright stemming from a film or other audiovisual work may become a client of Tuotos.

In addition, registered association who represent producers of films or audiovisual works may become members of Tuotos. For the present, Tuotos has three member organizations:

- Association of Independent Producers in Finland (SATU ry)
- Central Organization of Finnish Film Producers (Filmikamari)
- Network of Finnish Animation Producers (Finnanimation).<sup>172</sup>

Tuotos currently represents around 250 Finnish right holders and 15 000 foreign right holders through AGICOA<sup>173</sup> (umbrella organization) for the use of their works in Finland.<sup>172</sup>

▪ **TERMS OF COLLECTION AND DISTRIBUTION OF REMUNERATIONS**

When becoming clients of Tuotos, film and audiovisual producers entrust the CMO with the exclusive management of the rights they choose to transfer. Clients indicate in the Client Agreement the rights they agree to transfer for collective management.<sup>174</sup>

Tariffs depend on factors such as the duration of the work, broadcasting channel and the genre of the work. The principle of non-discrimination is particularly taken into account in both the collection and the distribution of remunerations.<sup>175</sup>

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<sup>169</sup> In Finnish: AV-tuottajien tekijänoikeusyhdistys Tuotos ry.

<sup>170</sup> Source: Tuotos' website (in Finnish), at <http://www.tuotos.fi/info/>. Visited on 2.7.2015.

<sup>171</sup> In particular, Tuotos distributes the following types of remunerations and compensations, on the basis of approval decisions by the Ministry of Education and Culture:

- Use of works for educational activities and scientific research, concerning television programs and films in theatrical distribution and the rights of audiovisual producers (2013-2017)
- Retransmission of a television transmission in Finland or abroad (Kopioisto has an obligation to negotiate with Tuotos)
- Fair compensation for private copying of audiovisual works
- Online recording service of television programs, concerning rights of audiovisual producers, excluding broadcasting organizations that work as producers (2015-2019).

<sup>172</sup> Source: Tuotos' website (in Finnish), at <http://www.tuotos.fi/info/>. Visited on 2.7.2015.

<sup>173</sup> See AGICOA's website, at <http://www.agicoa.org/>. Visited on 6.12.2015.

<sup>174</sup> Source: Tuotos' website (in Finnish), "Palvelut tuottajille", at <http://www.tuotos.fi/palvelut-tuottajille/>. Visited on 2.7.2015.

<sup>175</sup> Source: Email from Tuotos (18.11.2013).

The tariffs of the educational use of feature films can be found on Tuotos website<sup>176</sup>. The distribution is based on collected data of the actual use of film titles. Remunerations for retransmission are distributed according to terms defined by AGICOA.<sup>177</sup>

In addition to licensing income, Tuotos distributes compensations from private copying levies funded from the state budget.

In 2014, Tuotos administered a total amount of 1 400 292 €<sup>178</sup> of remunerations and compensations.

▪ **CONTRIBUTION TO CULTURE**

Tuotos distributes all collected remunerations directly to right holders.

▪ **SUMMARY**

<b>Table 7. Summary table: Tuotos</b>	
Year of establishment	1998
Right holder categories represented	Film and audiovisual producers <sup>179</sup>
Competing CMOs	No competitors established in Finland
Number of right holders represented	250 Finnish right holders and 15 000 foreign right holders for the use of their works in Finland. <sup>179</sup>
Extended collective licenses	- Use of television programs for educational activities and scientific research, concerning the rights of audiovisual producers (2013-2017) <sup>180</sup> - Online recording service of television programs, for the rights of audiovisual producers <sup>181</sup> (1.7.2015-2019)
Special remuneration and compensation schemes	- Fair compensation for private copying of audiovisual works <sup>182</sup>
Do right holders transfer all rights to the CMO?	No. <sup>174</sup>
Volume of remunerations and compensations administered	2014: 1 400 292 € <sup>178</sup>
Availability of annual reports	Not publicly available
Availability of price lists	Available online <sup>183</sup>

<sup>176</sup> Available in Finnish at <http://www.tuotos.fi/elokuvan-julkinen-esittaminen/>. Visited on 27.2.2015.

<sup>177</sup> Source: Interview with Tuotos (5.10.2015).

<sup>178</sup> Source: Annual report of Tuotos 2014.

<sup>179</sup> Source: Tuotos' website (in Finnish), at <http://www.tuotos.fi/>. Visited on 30.12.2015.

<sup>180</sup> Copyright Act, Section 14.

<sup>181</sup> Copyright Act, Section 25 l.

<sup>182</sup> Copyright Act Section 26 b.

<sup>183</sup> Price list available (in Finnish) concerning public performances of Finnish movies in education and other forms of public performances, at <http://www.tuotos.fi/elokuvan-julkinen-esittaminen/>. Visited on 3.6.2015.

## H. SUMMARY: SELECTED ORGANIZATIONAL ASPECTS OF THE CMOs

In the following table, certain organizational aspects of the Finnish CMOs are presented. The aim is to provide an overview of collective management of rights in Finland. Besides a summary of certain key aspects describing each CMO's operation, the table presents the exclusivity clauses and restrictions on the transfer of rights in the contracts between the CMO and its clients or members, as well as information on the CMOs' transparency assessed through the availability of annual reports and price lists.

Table 8. Certain organizational aspects of CMOs					
	Year of establishment	Right holder categories represented	Number of right holders represented	Exclusivity clauses and restrictions on the transfer of rights	Transparency
<b>Filmex</b>	2013	Actors performing in audio and audiovisual works.	2015: 1 560 actors	Exclusive management of the rights resulting from copyright legislation; scope of the assignment defined by the board of the society	No annual reports or price lists published yet
<b>Gramex</b>	1967	Performing artists whose performances have been recorded on phonograms and producers of phonograms	2014: 45 132 artists and 17 077 producers	Exclusive management of the rights listed in the Client Agreement, but there are certain categories that the client may exclude from collective management.	Annual reports and price lists available online
<b>Kopiosto</b>	1978	Authors, photographers, performing artists and publishers in all fields of creative work	2014: over 50 000 right holders	Right holders transfer a set of rights to Kopiosto's member organizations, which in turn negotiate with Kopiosto on the rights to be exclusively managed by Kopiosto.	Annual reports available and price lists partially available online
<b>Kuvasto</b>	1987	Artists working in the field of visual arts	2013: 2 200 Finnish artists and apr. 50 000 foreign artists	Exclusive management of the rights, present and future, resulting from copyright legislation.	Annual reports and price lists available online.
<b>Sanasto</b>	2005	All writers: authors, translators, poets, editors and non-fiction writers	2014: 5 209 writers	Right holders decide which rights they choose to transfer for collective management.	Annual reports available and price lists partially available online.
<b>Teosto</b>	1928	Composers, lyricists, arrangers and music publishers	29 000 music authors and publishers	Exclusive management of the rights but there are certain categories that the client may withdraw for self-administration.	Annual reports and price lists available online
<b>Tuotos</b>	1998	Film and audiovisual producers	250 Finnish right holders and 15 000 foreign right holders	Right holders decide which rights they choose to transfer for collective management.	Annual reports are not publicly available <sup>184</sup> ; price lists are partially available online

<sup>184</sup> The annual reports from the period 2000–2014 were requested from Tuotos but they were able to provide the report concerning the year 2014 only.

### SECTION 3. TERRITORIAL COVERAGE

The last section of this report summarizes information on international cooperation and territorial coverage of the Finnish CMOs.

Though CMOs in Finland operate on the territory of Finland, the situation is developing towards deeper internationalization and, especially in the area of musical works, the territorial borders of CMOs seem to be gradually fading. The protection of copyrighted works at the international level is managed through reciprocal representation contracts through which the contracting CMOs agree to represent the other party's repertoire in their own countries or to administer and distribute remunerations for the use of works of right holders represented by the other organization. Umbrella organizations arrange the cooperation between collective management organizations that manage specific categories of rights in different countries.

The following table indicates which umbrella organizations each CMO is member of.<sup>185</sup> The table also presents the numbers of reciprocal representation contracts (hereinafter referred to as "RRC") by the Finnish CMOs, the areas of rights covered in them, the contracting countries, and the amount of remunerations collected via these contracts<sup>186</sup>.

Table 9. International cooperation and reciprocal representation contracts (RRC)					
	Umbrella organization(s)	Number of RRCs	Areas of rights covered by RRCs	Contracting countries	Amount of remunerations collected via RRCs
<b>Filmex</b> <sup>187</sup>	None at the moment.	1	Rights of actors performing in audio works and audiovisual works.	1 <sup>188</sup>	2013-14: 150 000 € (100 % of remunerations distributed so far, all in 2015)
<b>Gramex</b>	IFPI (the International Federation of the Phonographic Industry) for producers, SCAPR (Societies' Council for The Collective Management of Performers' Rights), AEPO (Association of European Performers' Organization) <sup>189</sup>	24 <sup>190</sup>	Certain rights of producers and performing artists <sup>191</sup>	20 <sup>192</sup>	2014: 728 869 € <sup>193</sup> (3.55 % of the total)
<b>Kopioisto</b>	CISAC (domain of audiovisual work and music) IFFRO (photocopying) <sup>194</sup>	117 <sup>196</sup>	Audiovisual works, photocopying and digital copying, educational use, online recording services of	Depends on the area of rights	<i>Data not available.</i>

<sup>185</sup> These umbrella organizations include organizations coordinating both reciprocal representation and lobbying internationally.

<sup>186</sup> Interviews conducted as part of the initial pilot study in 2013 indicated that CMOs are constantly expanding their territorial coverage and that the amount of RRCs is on the increase.

<sup>187</sup> Source: Interview with Filmex (1.10.2015).

<sup>188</sup> Sweden. According to Filmex, the contract is rather a co-operation agreement, as Filmex does not currently collect remunerations on behalf of Swedish right holders. Source: Interview with Filmex (1.10.2015).

<sup>189</sup> Source: Annual report of Gramex 2011 (in Finnish), p. 16, at [http://www.gramex.fi/easydata/customers/gramex/files/vuosikertomukset/gramex\\_vuosikertomus\\_2011.pdf](http://www.gramex.fi/easydata/customers/gramex/files/vuosikertomukset/gramex_vuosikertomus_2011.pdf). Visited on 4.6.2015.

<sup>190</sup> Source: Annual report of Gramex 2014 (in Finnish), p. 9, at [http://www.gramex.fi/easydata/customers/gramex/files/toimintakertomukset/gramex\\_toimintakertomus\\_2014\\_web.pdf](http://www.gramex.fi/easydata/customers/gramex/files/toimintakertomukset/gramex_toimintakertomus_2014_web.pdf). Visited on 11.6.2015.

<sup>191</sup> Source: Gramex's website (in Finnish), at [http://www.gramex.fi/fi/taiteilijat\\_ja\\_tuottajat/aanitteentuottaja/ulkomaiset\\_tilitykset](http://www.gramex.fi/fi/taiteilijat_ja_tuottajat/aanitteentuottaja/ulkomaiset_tilitykset). Visited on 4.6.2015.

<sup>192</sup> England, Netherlands, Ireland, Austria, Japan, Canada, Greece, Latvia, Norway, Poland, Romania, Sweden, Germany, Switzerland, Denmark, Czech Republic, Russia, Estonia, Ukraine, United States. Source: Annual report of Gramex 2014.

<sup>193</sup> Source: Annual report of Gramex 2014, p. 22.

<sup>194</sup> Source: Kopioisto's website (in Finnish), at [http://www.kopioisto.fi/kopioisto/kopioisto/fi\\_FI/yhteistyosuomessa\\_ja\\_maailmalla/](http://www.kopioisto.fi/kopioisto/kopioisto/fi_FI/yhteistyosuomessa_ja_maailmalla/). Visited on 4.6.2015.

	SAA (Society of audiovisual authors) <sup>195</sup>		television programs <sup>197</sup>	covered <sup>196</sup>	
<b>Kuvasto</b>	CISAC European Visual Artists (EVA) <sup>198</sup>	34 <sup>199</sup>	Rights of visual artists <sup>199</sup>	34 <sup>200</sup>	2014: 71 200 € <sup>201</sup> (12 % of the total <sup>202</sup> )
<b>Sanasto</b>	European Writers' Council (EWC), CISAC <sup>203</sup>	2 <sup>204</sup>	Use of literary works on radio and television <sup>204</sup>	2 <sup>204</sup>	2014: 19 213 € <sup>203</sup> (0,5 % of the total)
<b>Teosto</b> <sup>205</sup>	CISAC (global), GESAC (European) <sup>206</sup>	67 <sup>207</sup>	Similar to those covered by Teosto <sup>208</sup>	66 <sup>207</sup>	2014: 2 438 212 € <sup>209</sup> (3,73 % of the total)
<b>Tuotos</b>	AGICOA <sup>210</sup>	1 <sup>211</sup>	Similar to those covered by Tuotos <sup>211</sup>	36 <sup>212</sup>	None <sup>213</sup>

<sup>196</sup> Photocopying and digital copying: 22 RRCs with 21 contracting countries (Access Copyright (Canada), Bonus Presskopia (Sweden), CAL (Australia), CLA ja NLA (Great Britain), CCC (USA), CEDRO (Spain), Copydan Writing (Denmark), Reprobel (Belgium), VG Musikedition (Germany), Kopinor (Norway), Fjölis (Iceland), KOIIPOL (Poland), Jamcopy (Jamaica), CFC (France), VG Wort (Germany), HARR (Hungary), HKRRLS (Hongkong), CADRA (Argentine), ProLitteris (Switzerland), Literar-Mechana (Austria), CopyRus (Russia), TTRRO (Trinidad and Tobago) and MASA (Mauritius));  
Audiovisual works: RRCs with 34 CMOs (Copyswede, Norwaco, CopyDan, SABAM, SGAE, DAMA, SDCSI, ALCS, Directors UK, ScreenCraftRights, SIAE, VDFS, AKKA/LAA, SFP-ZAPA, SACD, SCAM, Bild-Kunst, LITA, SSA, Suissimage, DILIA, OOA-S, Hungart, Filmjus, EAÜ, Albautor, AWGACS, WGJ, CSCS, DRCC, SOGEM, DAC, ASDACS, Argentores);  
Educational use: RRCs with 23 CMOs (Copyswede, Norwaco, Copydan, SABAM, SGAE, DAMA, ALCS, Directors UK, ScreenCraftRights, VDFS, AKKA/LAA, SFP-ZAPA, SCAM, Bild-Kunst, LITA, SSA, Suissimage, AWGACS, CSCS, DRCC, DAC, ASDACS, Argentores.);  
European Digital Library: RRCs with 34 countries.  
Online recording service of television programmes: RRCs with four CMOs (Copydan, Norwaco, SACD and SCAM.). Source: Email from Kopiosto (13.10.2015).

<sup>195</sup> Source: Annual report of Kopiosto 2014 (in Finnish), p. 26.

<sup>197</sup> Source: Kopiosto's website (in Finnish), at [http://www.kopiosto.fi/kopiosto/palvelut\\_oikeudenomistajille/valokopiointikorvaukset/fi\\_FI/valokopiointikorvaukset/](http://www.kopiosto.fi/kopiosto/palvelut_oikeudenomistajille/valokopiointikorvaukset/fi_FI/valokopiointikorvaukset/). Visited on 8.6.2015.

<sup>198</sup> Source: Annual report of Kuvasto 2013 (in Finnish), p. 12, available at <http://kuvasto.fi/hallinta/wp-content/uploads/2014/12/Kuvasto-Vuosi-2013.pdf>. Visited on 4.6.2015.

<sup>199</sup> Source: Kuvasto's website (in Finnish), at <http://kuvasto.fi/tietoa-kuvastosta/>. Visited on 5.6.2015.

<sup>200</sup> Source: Interview with Kuvasto (30.9.2015).

<sup>201</sup> Source: Email from Kuvasto (10.12.2015).

<sup>202</sup> Excluding a separate copyright remuneration paid in 2014 the distribution of which is divided over several years (Finnish National Gallery; 1,8 million euros).

<sup>203</sup> Source: Interview with Sanasto (30.9.2015).

<sup>204</sup> Sweden and Estonia. Source: Annual report of Sanasto 2014 (in Finnish), p. 26, available at <http://sanasto-fi-bin.directo.fi/@Bin/9fe48f65682459dd34cfc085a546e9cc/1433745334/application/pdf/567295/Vuosikertomus%202014.pdf>. Visited on 8.6.2015.

<sup>205</sup> In order to ensure that right holders have a say in the management of their rights, to increase the functioning of collective management organizations and to ease the multi-territorial licensing of rights in musical works for online use, the European Union has adopted Directive 2014/26/EU on collective rights management and multi-territorial licensing of rights in musical works for online uses. The Directive should be implemented in Member States' national laws by 10 April 2016. (Directive 2014/26/EU on collective rights management and multi-territorial licensing of rights in musical works for online uses, OJ L 84, 20.3.2014, pp. 72–98, is available online at [http://ec.europa.eu/internal\\_market/copyright/management/index\\_en.htm](http://ec.europa.eu/internal_market/copyright/management/index_en.htm). Visited on 6.5.2015.)

<sup>206</sup> Source: Teosto's website (in Finnish), at <http://www.teosto.fi/teosto/toiminta/tekijanoikeus>. Visited on 4.6.2015.

<sup>207</sup> Source: Teosto's Reciprocal Agreements on Performing Rights, 2013, available at Teosto's website, <http://www.teosto.fi/tekijat/palvelut-tekijoille/kansainvalistyminen>, choose "Vastavuoroisuussopimukset: Ulkomaiset tekijänoikeusjärjestöt (pdf)". Visited on 5.6.2015.

<sup>208</sup> Source: Teosto website (in Finnish), at <http://www.teosto.fi/tekijat/palvelut-tekijoille/kansainvalistyminen>. Visited on 5.6.2015.

<sup>209</sup> Source: Income Statement of Teosto 2014 (in Finnish), p. 6, at <http://www.teosto.fi/sites/default/files/files/Tilinp%C3%A4%C3%A4t%C3%B6s%20FI%202014.pdf>. Visited on 8.6.2015.

<sup>210</sup> Source: Tuotos' website (in Finnish), at <http://www.tuotos.fi/info/>. Visited on 4.6.2015.

<sup>211</sup> Collection of remunerations for the use of Finnish copyrighted works is managed through AGICOA which collects remunerations from 37 countries, including Finland. Sources: Interview with Tuotos (5.10.2015); Website of AGICOA, at <http://www.agicoa.org/english/rightsholder/countries.html>. Visited on 7.7.2015.

<sup>212</sup> Source: Website of AGICOA, at <http://www.agicoa.org/english/rightsholder/countries.html>. Visited on 7.7.2015.

<sup>213</sup> Tuotos does not manage remunerations collected by CMOs in other countries; instead, AGICOA receives the remunerations collected in each country for foreign right holders and distributes them directly to individual production companies.

## Conclusions

### A. ANALYSIS AND SUMMARY OF THE RESULTS

#### ▪ **FRAMEWORK FOR COLLECTIVE MANAGEMENT OF RIGHTS**

In Finland there are seven collective management organizations that exercise copyright and related rights by monitoring the use of works and by acting on right holders' behalf: Filmex (representing actors performing in audio and audiovisual works), Gramex (representing performing artists whose performances have been recorded and producers of phonograms), Kopiosto (managing certain rights of authors, photographers, performing artists and publishers in all fields of creative work), Kuvasto (representing artists working in the field of visual arts), Sanasto (representing all writers: authors, translators, poets, editors and non-fiction writers), Teosto (representing composers, lyricists, arrangers and music publishers) and Tuotos (representing film and audiovisual producers). They are presented in details in section 2 of this report.

The CMOs' main tasks are to authorize the use of protected works, as well as to collect remunerations from the use of works and to distribute them to right holders according to an agreed formula. All CMOs in Finland are non-profit organizations governed by right holders either directly or through organizations representing them. Some of them contribute to culture by supporting cultural activities or organizations.

The operation of the Finnish CMOs is based on assignments of rights or mandates of administration from right holders. The Copyright Act also includes certain special features that broaden the scope of CMOs' operation: extended collective licenses, statutory licenses and certain cases of remunerations and compensations without pre-existing licensing schemes.

In cases of extended collective licenses, certain CMOs are allowed to grant licenses the conditions of which become applicable also to right holders that are not represented by them. The system of extended collective licenses is intended to facilitate rights clearance in certain situations of mass use. Right holders that are not represented by the CMOs retain the right to prohibit the reproduction or communication of their works and to claim an individual remuneration. The Ministry of Education and Culture appoints specific CMOs to manage extended collective licenses for a fixed period of maximum 5 years through approval decisions listed on the Ministry's website.

The Copyright Act also lists certain situations where specific uses of copyrighted works are the object of special remuneration and compensation schemes for which CMOs are often (but not necessarily) appointed by the government to manage the collection and distribution of the remunerations. These include cases of statutory licenses, where right holders receive remuneration from licensing organized without the possibility for them to refuse granting the right to use the work. In other cases, authors and performers receive remuneration or compensation without pre-arranged licenses (and therefore without the possibility for an author to prohibit these types of uses either). These special remuneration and compensation cases concern the following situations:

- availability of works to persons with disabilities,
- literary or artistic works of compilation used in education,
- public lending,
- fair compensation for private copying (designed to compensate right holders for private use of their works resulting from the private copying limitation in copyright law),
- remuneration for acts of resale of works of fine art,
- remuneration for the use of sound recordings, and
- remuneration for the retransmission of programs based on the must carry obligation to transmit programs.

The most important acts regulating the operation of Finnish CMOs are the Associations Act, the Competition Act and the Copyright Act. As non-profit organizations, CMOs are submitted to the Associations Act which regulates some practical aspects of their operation. Since CMOs can be deemed to have a de facto monopoly in their respective markets, their activities are supervised by the Competition and Consumer Authority to ensure that, according to European and national competition law, they do not abuse their dominant market position; however, the complexity of their operational setting renders this supervision difficult. Since every CMO has been approved for at least one situation of extended collective licenses, they are also submitted to the sections of the Copyright Act describing the conditions for the approval and are obliged to provide additional information for monitoring the execution of the approval decision upon request by the Ministry of Education and Culture. In the future, CMOs will also have to comply with new rules set by the European Union Directive 2014/26/EU on collective rights management and multi-territorial licensing of rights in musical works for online uses. These rules are meant to improve the way collective management organizations are managed by establishing common governance, transparency and financial management standards.

#### ▪ DESCRIPTION OF COLLECTIVE MANAGEMENT ORGANIZATIONS IN FINLAND

The seven collective management organizations operating in Finland were described in this report, including the right holder categories represented, the clients and/or members of the CMO, the terms of collection and distribution of remunerations, their special responsibilities (extended collective licenses, statutory licenses and specific remuneration or compensation schemes that are part of their responsibilities), the volume of remunerations and compensations administered, their possible contribution to culture and the availability of their annual reports and price lists.

From this overview it seems clear that, although at a general level their operations are organized similarly (as non-profit organizations collecting a power of attorney from right holders), Finnish CMOs vary widely in their sizes and other aspects. The oldest CMO (Teosto) was founded in 1928, while the most recent one exists only since 2013 (Filmex). In 2014, the largest CMO (Teosto) administered 110 times the amount of remunerations administered by the smallest one in operation (Kuvasto). Some CMOs cater primarily for individual authors and right holders while others, such as Tuotos, mainly represent the rights of organizations (such as production companies). All CMOs accept membership of registered associations so that an individual right holder which is a member or a client of one of the member organizations is automatically affiliated to the CMO, and all CMOs except Kopiosto also accept natural or legal persons as clients. All CMOs function on the basis of transfer of the power of attorney for the exclusive management of some rights, but not all CMOs have the same policy concerning the extent of this transfer: Kuvasto's members and Filmex's clients transfer the management of all the economic rights on their works covered by the agreement; Teosto's and Gramex's clients transfer the management of all their economic rights except some which are determined by the organization's board and which they can self-administer; and Kopiosto's, Sanasto's and Tuotos' clients determine themselves the rights they choose to transfer for collective management.

Some CMOs (Gramex, Kopiosto and Teosto) assign a part of their income to cultural purposes while some others (Kuvasto and Sanasto) coordinate activities for the promotion of culture.

Each organization represents specific categories of right holders and their works or a specific set of rights and as a result they are not in competition. Through these seven organizations, all the main areas of collective management of rights are organized, including all the rights, right holder categories, types of works, and types of uses most commonly under collective management.

Although CMOs are not submitted to formal requirements concerning the publication of information on their operation, the availability of annual reports and price lists was used as an indicator of their transparency. As shown in Table 8, only one of the CMOs did not have their annual reports publicly

available<sup>214</sup>. Half of them provided online access to their full price lists, while the other half provided access to some of their tariffs only (more information being available on demand). On the other hand, little information was available online on the manner in which the terms for remunerations are determined. The efficiency of collective management organizations is discussed more in detail in Methodology card 9.

#### ▪ TERRITORIAL COVERAGE

All the Finnish CMOs, excluding Filmex, are members of international umbrella organizations and manage rights internationally through reciprocal representation contracts (RRCs) except for Tuotos: instead of arranging the international management of rights through RRCs, its umbrella organization takes in charge the distribution of remunerations for the use of Finnish copyrighted works in approximately 40 countries. For the other CMOs, the number of RRCs varies largely, with a maximum of 117 for Kopiosto. The amount of remunerations collected via RRCs also varies, as well as its importance as a revenue source for each CMO: remunerations from the use of Finnish works abroad represent vary between 0.36 % (for Sanasto) and 12 % (for Kuvasto) of the total amount of remunerations.<sup>215</sup>

All CMOs are operating ever more globally and the number of reciprocal representation contracts, as well as international co-operation in general, is increasing. Despite the increasing international cooperation in the collection of copyright revenues, the relatively small size of the markets for products and services in Finnish often limits the possibilities for exporting copyrighted works<sup>216</sup>.

#### ▪ GENERAL CONCLUSIONS

The Finnish system of collective management of rights is very developed and organized. The seven CMOs described in this report cover the main areas of collective management and are in charge of organizing and facilitating the licensing of their clients' and members' works. Moreover, certain CMOs have been approved to manage extended collective licenses, statutory licenses as well as special remunerations and compensations. They are also important actors in the collection of remunerations for Finnish works and other subject matter abroad and some are active in promoting Finnish culture. As a result, CMOs fulfill a crucial role in the functioning of the Finnish copyright system.

### **B. METHODOLOGICAL FINDINGS**

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#### ▪ LIMITATIONS

Not all the data necessary was publicly available at the time of the research. For example, more detailed information on the mechanisms for determination of tariffs would help understanding the operations of CMOs more thoroughly. At the time of the research, the collective management organization Filmex was recently founded and therefore its operation was still under development.

#### ▪ GUIDELINES FOR FUTURE RESEARCH

Most of the relevant information can be found from the websites of collective management organizations. When available, the annual reports are useful sources of information. Data on

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<sup>214</sup> Additionally, at the time of drafting this report, the collective management organization Filmex was just recently founded, and therefore there was no annual report to publish.

<sup>215</sup> The figure for Filmex was 100 % but due to the short history of the CMO, their operations are still evolving.

<sup>216</sup> For more information on these topics, see the pilot reports on Description sheet 1 – *National context*, available at [http://www.cupore.fi/DS1\\_nationalcontext.php](http://www.cupore.fi/DS1_nationalcontext.php), and Methodology card 3 – *Volume of exported and imported copyrighted products and services*, available at <http://www.cupore.fi/MC3.php>.

remunerations collected by CMOs is also available from the official statistics of Finland. Interviews are helpful especially when collecting information on licensing issues.

Research should start with a desktop study and proceed with interviews with a representative of each CMO. Interviews shed light on current issues of the collective management of rights and state of copyright remunerations in general.

The new EU Directive on the collective management of copyright and related rights and multi-territorial licensing, adopted in February 2014, is being transposed into Finnish law at the time of drafting this report. Its provisions will require Finnish CMOs to adjust their operations in the years to come. It would therefore be interesting to study the impacts of the new rules on the operation of the CMOs after a certain time period.

In the case of Finland, the workload for collecting data and drafting this report could be evaluated at twelve weeks of full-time work.

## Appendices

### A. DESCRIPTION SHEET

Description sheet as presented in the Methodology Handbook, draft version 1.12.2015.

#### Description sheet 12. Collective management of rights

Description of the organizational aspects of collective management of rights:

- The judicial framework concerning collective management of rights, including the following issues:
  - Conditions and rules applicable to CMOs
  - Situations of collective management arranged according to the law, including:
    - Extended collective licensing
    - Statutory/compulsory licensing
    - Provisions on fair compensation or remuneration for uses that are covered by limitations or exceptions to copyright<sup>217</sup>
  - Legal presumption as a way to address and monitor the non-members' rights
- Other organizational aspects of CMOs
  - Transparency of the operation of CMOs: For example, are annual reports available and do they provide detailed break-downs of different sources of revenue and distribution to various right holders, are price lists for users easily accessible and are accounts published?
  - Is there a body approving CMOs or supervising their operation?
  - Is competition law applicable to the operations of CMOs and how do they comply with it?
  - Have there been significant court cases concerning the operation of CMOs?

Description of each collective management organization (CMOs) with information on:

- Its year of establishment
- The industries/right holder categories represented
- The rights collectively managed
- The number of CMOs competing on the same rights or markets
- The number of right holders represented
- Collection processes; Consider the following sets of information:
  - Applicable rules
  - Types and characteristics of the contracts between right holders and CMOs, for example concerning possible exclusivity clauses and restrictions on the transfer of rights
  - Types and characteristics of the licenses between users and CMOs<sup>218</sup>
- Distribution processes; Consider the following sets of information:
  - Applicable rules
  - Keys or agreed formulas determining the distribution of revenues
- The total amount of remuneration collected during the last year
- Activities supporting different social uses or contributing to culture

Description of the territorial coverage of the operations of CMOs:

- Are trans-border uses collectively managed?
- Is there international cooperation between CMOs? Consider the following issues:
  - The existence of reciprocal representation contracts
  - A. The existence of representation arrangements through international agreements
  - B. The amount of royalties collected abroad by each CMO as a result of these agreements, and its proportion in the amount of royalties collected as a whole
  - C. Membership to organizations arranging collective management of rights internationally (umbrella organizations)
  - D. International standards in management of rights applied by CMOs

<sup>217</sup> Such provisions include cases of compensation for private copying, remuneration for acts of resale of works of fine art (droit de suite), and other instances of remuneration without licensing which can be managed by CMOs.

<sup>218</sup> Consider for example blanket licenses, which allow the use of a catalog of works under preset terms. It covers all works of a defined group without the need for individual negotiation for each use.

Guidelines for data collection	The information can be collected as a desktop study through available national and international information sources. In order to get a comprehensive picture of the operation of each organization, the information should be complemented with expert interviews. See Box 13 for a list of rights potentially subject to collective management.	
Definitions	<i>Collective management organization (CMO, or Collecting society)</i>	Organization representing a group of copyright and related rights holders mainly for the purposes of arranging licenses and collecting remunerations on their behalf.
	<i>Compulsory/Statutory licensing</i>	Situations where specific uses of copyrighted works are to be organized without the possibility for right holders to refuse granting the right to use his work.
	<i>Extended collective licensing</i>	System where the law extends the effect of the agreements concluded between CMOs and users in a way that allows the user to use, on conditions laid down in the agreement, also works by authors whom the organization does not represent.
	<i>Reciprocal representation contracts</i>	Contracts through which the contracting CMOs agree to represent the other party's repertoire in their own countries.
	<i>Umbrella organization</i>	Organization arranging the cooperation between collective management organizations and managing specific categories of rights in different countries.
Limitations of the indicator	The availability of the information necessary for this description sheet will depend in part on the amount of information made available by CMOs themselves.	

## ***B. INFORMATION SOURCES***

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### **International:**

- AGICOA's website, at <http://www.agicoa.org/>, in particular "Countries", at <http://www.agicoa.org/english/rightsholder/countries.html>
- Consolidated version of the Treaty on the Functioning of the European Union, Article 102 (former Article 82 TEC), Official Journal 115 , 09/05/2008 P. 0089 – 0089, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12008E102:EN:HTML>.
- Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society, available on the website of the European Union: [http://ec.europa.eu/internal\\_market/copyright/copyright-infso/index\\_en.htm](http://ec.europa.eu/internal_market/copyright/copyright-infso/index_en.htm).
- Directive 2006/115/EC of the European Parliament and of the Council of 27 December 2006 on rental right and lending right and on certain rights related to copyright in the field of intellectual property (codified version), OJ L 376
- Directive 2011/77/EU of the European Parliament and of the Council of 10 November 2011 amending Directive 2006/116/EC on the term of protection of copyright and certain related rights, OJ L 265, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:265:0001:0005:en:PDF>
- Directive 2014/26/EU of the European Parliament and of the Council of 26 February 2014 on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market", available on the website of the European Union at [http://ec.europa.eu/internal\\_market/copyright/management/index\\_en.htm](http://ec.europa.eu/internal_market/copyright/management/index_en.htm).

## Finland:

### ▪ Legislation

- Copyright Act (404/1961), unofficial translation available at <http://www.finlex.fi/fi/laki/kaannokset/1961/en19610404.pdf>
- Associations Act (503/1989), unofficial translation available at <https://www.prh.fi/en/yhdistysrekisteri/act.html>
- Finnish Competition Act (948/2011), unofficial translation available at <http://www.finlex.fi/en/laki/kaannokset/2011/en20110948>

### ▪ Collective Management Organizations

- Filmex' website, at <http://www.filmex.fi/>, in particular:
  - Client Agreement of Filmex (in Finnish), at <http://www.filmex.fi/wp-content/uploads/2015/11/filmex-asiakassopimus-1.0.pdf>
- Gramex's website: <http://www.gramex.fi/>, in particular:
  - "Musiikkivideot", at [http://www.gramex.fi/fi/taiteilijat\\_ja\\_tuottajat/aanitteen\\_tuottaja/musiikkivideot](http://www.gramex.fi/fi/taiteilijat_ja_tuottajat/aanitteen_tuottaja/musiikkivideot)
  - "What is Gramex?", at [http://www.gramex.fi/en/what\\_is\\_gramex](http://www.gramex.fi/en/what_is_gramex)
  - Annual report of Gramex 2011 (in Finnish), at [http://www.gramex.fi/easydata/customers/gramex/files/vuosikertomukset/gramex\\_vuosikertomus\\_2011.pdf](http://www.gramex.fi/easydata/customers/gramex/files/vuosikertomukset/gramex_vuosikertomus_2011.pdf)
  - Annual report of Gramex 2014 (in Finnish), at [http://www.gramex.fi/easydata/customers/gramex/files/toimintakertomukset/gramex\\_toimintakertomus\\_2014\\_web.pdf](http://www.gramex.fi/easydata/customers/gramex/files/toimintakertomukset/gramex_toimintakertomus_2014_web.pdf)
  - Client agreement of GRAMEX (in Finnish), at [http://www.gramex.fi/easydata/customers/gramex/files/pdf/asiakas\\_sop\\_1\\_yksit.pdf](http://www.gramex.fi/easydata/customers/gramex/files/pdf/asiakas_sop_1_yksit.pdf).
  - Distribution rules of Gramex, at [http://www.gramex.fi/en/what\\_is\\_gramex/distribution\\_rules](http://www.gramex.fi/en/what_is_gramex/distribution_rules)
  - Price list, at: [http://www.gramex.fi/fi/musiikin\\_kayttosopimukset/korvaushinnasto\\_toimialoittain](http://www.gramex.fi/fi/musiikin_kayttosopimukset/korvaushinnasto_toimialoittain)
  - "Äänitteiden tuottaja", at [http://www.gramex.fi/fi/taiteilijat\\_ja\\_tuottajat/aanitteen\\_tuottaja/ulkomaiset\\_tilitykset](http://www.gramex.fi/fi/taiteilijat_ja_tuottajat/aanitteen_tuottaja/ulkomaiset_tilitykset)
- Kopiosto's website: [http://www.kopiosto.fi/fi\\_FI/](http://www.kopiosto.fi/fi_FI/), in particular:
  - "Kopiosto in brief", at [http://www.kopiosto.fi/kopiosto/kopiosto\\_in\\_brief/en\\_GB/kopiosto\\_in\\_brief/](http://www.kopiosto.fi/kopiosto/kopiosto_in_brief/en_GB/kopiosto_in_brief/)
  - "Kopiosto-valtakirja", at [http://www.kopiosto.fi/kopiosto/palvelut\\_oikeudenomistajille/kopiosto\\_valtakirja/fi\\_FI/](http://www.kopiosto.fi/kopiosto/palvelut_oikeudenomistajille/kopiosto_valtakirja/fi_FI/)
  - "Tekijänoikeussopimus", at [http://www.kopiosto.fi/kopiosto/palvelut\\_oikeudenomistajille/tekijanoikeussopimus/fi\\_FI/tekijanoikeussopimus/](http://www.kopiosto.fi/kopiosto/palvelut_oikeudenomistajille/tekijanoikeussopimus/fi_FI/tekijanoikeussopimus/)
  - Annual report of AVEK 2013-2014 (in Finnish), at [http://www.kopiosto.fi/avek/avek/avek\\_lyhyesti/fi\\_FI/toimintakertomus/](http://www.kopiosto.fi/avek/avek/avek_lyhyesti/fi_FI/toimintakertomus/)
  - Annual report of Kopiosto 2014 (in Finnish), at: [http://www.kopiosto.fi/kopiosto/kopiosto/talous/fi\\_FI/talous/\\_files/93883437854109272/default/Kopiosto\\_Vuosikertomus\\_2014.pdf](http://www.kopiosto.fi/kopiosto/kopiosto/talous/fi_FI/talous/_files/93883437854109272/default/Kopiosto_Vuosikertomus_2014.pdf)
  - AVEK, at [http://www.kopiosto.fi/avek/en\\_GB/](http://www.kopiosto.fi/avek/en_GB/)
  - Member organizations of Kopiosto, at [http://www.kopiosto.fi/kopiosto/kopiosto/fi\\_FI/jasenjarjestot/](http://www.kopiosto.fi/kopiosto/kopiosto/fi_FI/jasenjarjestot/)

- Price list concerning the distribution of TV channels in hotels and cruise ships (in Finnish), at [http://www.kopiosto.fi/kopiosto/teosten\\_kayttoluvat/tv\\_kanavien\\_jakeluluvat/hotellit\\_ja\\_laivat/fi\\_FI/hotellit\\_ja\\_laivat/](http://www.kopiosto.fi/kopiosto/teosten_kayttoluvat/tv_kanavien_jakeluluvat/hotellit_ja_laivat/fi_FI/hotellit_ja_laivat/)
- "Yhteistyö Suomessa ja maailmalla", at [http://www.kopiosto.fi/kopiosto/kopiosto/fi\\_FI/yhteistyö\\_suomessa\\_ja\\_maailmalla/](http://www.kopiosto.fi/kopiosto/kopiosto/fi_FI/yhteistyö_suomessa_ja_maailmalla/).
- "Valokopiointikorvaukset" at [http://www.kopiosto.fi/kopiosto/palvelut\\_oikeudenomistajille/valokopiointikorvaukset/fi\\_FI/valo\\_kopiointikorvaukset/](http://www.kopiosto.fi/kopiosto/palvelut_oikeudenomistajille/valokopiointikorvaukset/fi_FI/valo_kopiointikorvaukset/).
- Kuvasto's website: <http://kuvasto.fi/in-english/>, in particular:
  - "About Kuvasto", at <http://kuvasto.fi/in-english/>
  - "Copyright remunerations managed by Kuvasto", at <http://kuvasto.fi/in-english/>
  - Annual report of Kuvasto 2013 (in Finnish), at <http://kuvasto.fi/hallinta/wp-content/uploads/2014/12/Kuvasto-Vuosi-2013.pdf>
  - Annual report of Kuvasto 2014 (in Finnish) at [http://kuvasto.fi/hallinta/wp-content/uploads/2014/12/kuvasto\\_vuosikertomus\\_verkko.pdf](http://kuvasto.fi/hallinta/wp-content/uploads/2014/12/kuvasto_vuosikertomus_verkko.pdf)
  - Bylaws of Kuvasto (in Finnish), at <http://kuvasto.fi/kuvaston-saannot/>
  - Client agreement of Kuvasto (in Finnish), at [http://kuvasto.fi/hallinta/wp-content/uploads/2014/12/ASIAKASSOPIMUS\\_Kuvasto.pdf](http://kuvasto.fi/hallinta/wp-content/uploads/2014/12/ASIAKASSOPIMUS_Kuvasto.pdf)
  - List of individual clients, at <http://kuvasto.fi/taiteilijaluettelo/>
  - Price list of Kuvasto (in Finnish), at <http://kuvasto.fi/hinnasto/>
  - "Tietoa Kuvastosta", at <http://kuvasto.fi/tietoa-kuvastosta/>
- Sanasto's website: <http://www.sanasto.fi/>, in particular:
  - "Hyödyllisiä linkkejä" (in Finnish), at <http://www.sanasto.fi/faq/hyodyllisia-linkkeja/>
  - "PLR", at <https://sanasto-fi.directo.fi/front-page/plr/>
  - "Sanasto – Copyright Society", at <http://www.sanasto.fi/front-page/>
  - "Sanaston asiakkuus kannattaa", at <http://www.sanasto.fi/tekijalle/asiakkuus/>
  - Annual report of Sanasto 2014 (in Finnish), at: <http://sanasto-fi-bin.directo.fi/@Bin/edab49f10a1d399c1b9abe7491d6b426/1433251256/application/pdf/567295/Vuosikertomus%202014.pdf>
  - Price lists (in Finnish), at <http://www.sanasto.fi/luvut2/>
- Teosto's website: [http://www.teosto.fi/en/index\\_en.html](http://www.teosto.fi/en/index_en.html), in particular:
  - "Become a member", at <http://www.teosto.fi/en/teosto/articles/become-member>
  - "How to become a Teosto ordinary member", at <http://www.teosto.fi/en/teosto/articles/how-become-teosto-ordinary-member>
  - "Info corner", at <https://www.teosto.fi/en/teosto>
  - "Membership agreement in a nutshell", at <http://www.teosto.fi/en/teosto/articles/membership-agreement-nutshell>
  - "Tekijänoikeus", at <http://www.teosto.fi/teosto/toiminta/tekijanoikeus>.
  - "Teoston vuosi 2014 lukuina", at <http://www.teosto.fi/vuosikertomus-2014/luvut-2014>
  - "The year in numbers", at <http://www.teosto.fi/en/annual-report/the-year-in-numbers>
  - "What is Teosto?", at <https://www.teosto.fi/en/teosto/articles/what-teosto>
  - Annual report of Teosto 2014, at: <http://www.teosto.fi/en/annual-report>
  - Membership Agreement of Teosto, at [https://www.teosto.fi/sites/default/files/files/SE13\\_Teosto%20Membership%20agreement\\_%20articles.pdf](https://www.teosto.fi/sites/default/files/files/SE13_Teosto%20Membership%20agreement_%20articles.pdf)
  - Price lists and grounds for determination of tariffs, at <http://www.teosto.fi/en/licensing>

- Teosto's Income Statement for 2014, at <http://www.teosto.fi/sites/default/files/files/Tilin%C3%A4%C3%A4t%C3%B6s%20Eng%202014.pdf>
  - Teosto's Reciprocal Agreements on Performing Rights (in Finnish), at <http://www.teosto.fi/tekijat/palvelut-tekijoille/kansainvalistyminen> (choose "Vastavuoroisuussopimukset: Ulkomaiset tekijänoikeusjärjestöt (pdf)")
  - Teosto's annual report 2011, at [https://www.teosto.fi/sites/default/files/files/Annual\\_Report\\_2011.pdf](https://www.teosto.fi/sites/default/files/files/Annual_Report_2011.pdf)
  - Tuotos, Annual report 2014
  - Tuotos' website: <http://www.tuotos.fi/>, in particular:
    - "Palvelut tuottajille", at <http://www.tuotos.fi/palvelut-tuottajille/>
    - Price list available (in Finnish) concerning performances of Finnish movies in education and other forms of public performances, at <http://www.tuotos.fi/elokuvan-julkinen-esittaminen/>
  - Filmex's website: <http://www.filmex.fi/>
  - Kirja elää campaign: [www.kirjaelaa.fi](http://www.kirjaelaa.fi)
  - Celia Library (library for visually impaired) <http://www.celia.fi/english>
- **Other online materials**
- Finnish Communications Regulatory Authority, "Obligation to transmit programmes and services (must-carry)", at <https://www.viestintavirasto.fi/en/tvradio/broadcastingandreception/cabletv/must-carryobligation.html>.
  - Finnish Competition and Consumer Authority's (FCCA), at <http://www.kkv.fi/en/>
  - Ministry of Education and Culture of Finland, "Copyright Organizations in Finland", at [http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien\\_hallinnointi\\_ja\\_hankinta/?lang=en](http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien_hallinnointi_ja_hankinta/?lang=en), in particular:
    - "Kirjaamo ja arkisto" at [http://www.minedu.fi/OPM/Yhteystiedot\\_ja\\_asiointi/asiointi/arkistopalvelut/?lang=fi](http://www.minedu.fi/OPM/Yhteystiedot_ja_asiointi/asiointi/arkistopalvelut/?lang=fi)
    - "Sopimuslissensijärjestöt ja niiden hyväksyminen", at [http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien\\_hallinnointi\\_ja\\_hankinta/sopimuslissensit/?lang=fi](http://www.minedu.fi/OPM/Tekijaenoikeus/oikeuksien_hallinnointi_ja_hankinta/sopimuslissensit/?lang=fi).
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- **Case law**
- Case MAO 156/03 of The Market Court concerning Gramex's abuse of dominant market position (in Swedish): <http://www.markkinaoikeus.fi/fi/index/paatokset/kilpailuasias/kilpailuasias/23017.html>
- **Literature**
- Finnish Competition and Consumer Authority, Report *Collective management and the functioning of the copyrighted works market* (2014, in Finnish only), available at <http://www.kkv.fi/en/current->

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### **C. CONSULTED PARTIES**

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#### **Interviews:**

- Lauri Kaira, Director (information), and Juhani Ala-Hannula, Legal adviser, Gramex, 29.10.2015
- Martti Kivistö, Director (regulatory and policy affairs), Teosto, 15.10.2015
- Elina Kuusikko, Executive director, Filmex, 1.10.2015
- Tommi Nilsson, Executive director, and Kati Pelkonen, Account and communications manager, Kuvasto, 30.9.2015
- Kirsi Salo, Legal adviser, Tuotos, 5.10.2015
- Anne Salomaa, Executive director, Sanasto, 30.9.2015
- Tuomas Talonpoika, Director of department of Legal affairs and Digital media, and Juhani Ala-Hannula, Legal adviser, Gramex, 16.12.2015

#### **Emails:**

- Jukka-Pekka Timonen, Senior vice president (legal affairs), Kopiosto, 13.10.2015
- Tommi Nilsson, Executive director, Kuvasto (10.12.2015).

#### **Initial desktop study:**

- Martti Kivistö, Director for Regulatory and Policy Affairs of Teosto, 7.5.2013
- Kirsi Niittyinperä, Executive director, Tuotos, 12.6.2013
- Tommi Nilsson, Executive director of Kuvasto, 10.4.2013
- Anne Salomaa, Executive director of Sanasto, 10.4.2013
- Tuomas Talonpoika, Director of department of Legal affairs and Digital media, Gramex, 23.5.2013
- Jukka-Pekka Timonen, Deputy managing director, Kopiosto, 21.5.2013



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Cupore webpublications 39:7	<i>Volume of Exported and Imported Copyrighted Products and Services. Report on Piloting in Finland.</i>
Cupore webpublications 39:8	<i>Development of Digital Business Models and Income Based on Digital Distribution. Report on Piloting in Finland.</i>
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Cupore webpublications 39:31	<i>Access to Copyrighted Works for Follow-on Creation.</i>
Cupore webpublications 39:32	<i>Transaction Costs in Transfer and Licensing of Rights – Focus: Literature (Book Publishing Industry). Report on Piloting in Finland.</i>
Cupore webpublications 39:33	<i>Terms for Transfer and Licensing of Rights – Focus: Literature (Book Publishing Industry). Report on Piloting in Finland.</i>
Cupore webpublications 39:34	<i>Unauthorized Use of Copyrighted Works in Physical Form. Report on Piloting in Finland.</i>
Cupore webpublications 39:35	<i>Unauthorized Use of Copyrighted Works in Digital Form. Report on Piloting in Finland.</i>
Cupore webpublications 39:36	<i>Analysis of Stakeholders' Opinions on the Copyright System – Focus: Literature (Book Publishing Industry). Report on Piloting in Finland.</i>
Cupore webpublications 39:37	<i>Analysis of Stakeholders' Opinions on the Copyright System – Focus: End-users. Report on Piloting in Finland.</i>