

TERMS OF AGREEMENT – COPYING A PHONOGRAM TO BE A PART OF A MUSIC PROGRAM

TELEVISION AND SVOD USE GLOBALLY

Definitions

A web service of a broadcasting company refers to a service which is offered for private use and which is owned and administered by a company carrying out television broadcasting activities. In this service visual recordings are broadcast so that the end user has an opportunity to access the recording by streaming in a place and at a time individually chosen by them via a network connection without obtaining a permanent copy of the recording. Such services are, for example, MTV, Ruutu, Ruutu Plus and Yle Areena.

A music program refers to a television program, documentary or other audiovisual production with music as the central theme of the program. Such programs are, for example, music quizzes and competitions as well as television programs and documentaries on music or the music industry (hereinafter referred to as a “visual recording”).

A program clip refers to a short extract of the program.

A Subscription Video On Demand (SVOD) service refers to a service in which visual recordings are broadcast for private use for a program catalogue fee so that the end user has an opportunity to access the recording by streaming in a place and at a time individually chosen by them via a network connection without obtaining a permanent copy of the recording. Such services are, for example, Netflix, Elisa Viihde and HBO Nordic. A SVOD service shall not refer to a service in which the users can upload content.

Television broadcasting activities refer to linear communication to the public through free space radio wave propagation and the cable network.

A phonogram refers to a recording, audio file or other audio recording or a part thereof published for commercial purposes.

Licenses to be granted

Gramex – The Collective Management Organisation for Recorded Music in Finland, shall grant the customer, on behalf of the copyright holders it represents, a license to copy the phonograms specified in the Agreement confirmation to be a part of a visual recording.

The license to copy shall cover the use of the visual recording in the following forms of use:

- using the visual recording in television broadcasting activities;

- acts of communication to the public of the visual recording on the web services of broadcasting companies;
- acts of communication to the public of the visual recording in Subscription Video On Demand services.

The license shall include the copying explicitly required for communication to the public.

The license shall cover the use of the visual recording containing phonograms for an indefinite period globally.

The license shall cover the use of the phonogram as background music for the visual recording, not as a part of theme music.

The visual recording may only once include a maximum of three music videos played consecutively in a row. Broadcasting music videos consecutively in a row is otherwise prohibited.

The license shall not cover the use of the phonogram in advertisements or programs similar to advertisements.

In principle, the license shall not cover visual recordings that focus on a particular artist, group, artists or groups. The use of phonograms in such visual recordings is subject to a separate approval by Gramex.

The license shall cover using a part of a visual recording containing phonograms copied on the basis of this Agreement in program clips that concern individual television programs or television series and that are used in television broadcasting activities and on the broadcasting company's website. The license shall concern the same phonogram and part thereof as the actual visual recording in sections used in the clip.

The license shall not authorize copying phonograms or broadcasting visual recordings produced on the basis of the license in a manner or context that breaches the moral rights defined in the Finnish Copyright Act. The license shall not cover the use of the phonograms in political, religious or pornographic visual recordings or the use of the visual recordings in such contexts.

General terms and conditions

The license shall enter into force when Gramex has sent the Agreement confirmation and the customer has paid the remuneration under this Agreement. The remuneration shall be increased by 20% if the it is not paid before the use of the produced visual recording.

The license shall not cover retransmission.

Phonograms must be copied from a legal source.

Modifying the phonogram without a separate consent from the copyright holder is not permitted.

Remuneration

The remuneration shall be determined in accordance with Gramex's fee schedule valid at the time. Value added tax under valid legislation shall be added to the prices. Penalty interest shall be collected for late payments in accordance with applicable laws.

Gramex may adjust the prices annually taking into consideration general changes in the income and cost level.

Providing copyright holder information

The following information on the copied phonograms must be provided on the visual recording:

- the name of the phonogram;
- performer of the phonogram; and
- producer of the phonogram.

Responsibilities of Gramex and the customer

Gramex shall be responsible for the claims for compensation that concern the use of the phonograms referred to in this Agreement and that are targeted against the customer by the artists and phonogram producers.

The customer shall be responsible for ensuring that the phonograms are not used in contravention of this Agreement or the Copyright Act.

Transferring the Agreement

The customer shall have no right to transfer this Agreement or obligations or rights under it to third parties without the written consent of Gramex.

Auditing the operations

Gramex or a party authorized by Gramex shall have the right to verify conformity with the Agreement and the legality of the use of phonograms under this Agreement as well as the accuracy of information affecting the accumulation of the remuneration.

Confidentiality of the information collected from the customer

Gramex undertakes to keep the trade and professional secrets concerning the customer's business confidential and to process personal data in accordance with data protection legislation. Privacy statements are available on Gramex's website.

Customers regarded as consumers

Customers regarded as consumers shall have the right to cancel the Agreement by notifying Gramex in writing within fourteen (14) days of concluding the Agreement. However, the cancellation right shall not be valid after the customer has started the use of phonograms as set out in this Agreement.

For other parts, these terms and conditions shall be directly applicable as they are to Clients regarded as consumers, unless otherwise provided in the Consumer Protection Act.

Validity of the Terms of Agreement

These Terms of Agreement are valid from 21 April 2021.

Applicable law and dispute resolution

This Agreement shall be interpreted according to Finnish law, with the exception of regulations on the conflict of laws.

The parties shall aim to settle possible disputes arising from this Agreement primarily through negotiations. If a resolution cannot be achieved through negotiations, the dispute shall be submitted to the District Court of Helsinki or, if the dispute falls within the competence of the Market Court, to the Market Court.

In cases of inconsistencies between the language versions of these Terms of Agreement, the Finnish version shall prevail.