

1. General

1.1 The Finnish Composers' Copyright Society Teosto (hereinafter Teosto) represents authors of music and, based on authorisation from the same, enters into agreements concerning the use of their works.

1.2 Under section 2 of the Copyright Act (404/1961), authors shall have exclusive rights to their works, meaning that the use of music requires the permission of the author or other rightholder.

1.3 Under the Act, the following are exclusive rights of the author:

a. making copies of the work

- creating a copy of the work in whole or in part, directly or indirectly, temporarily or permanently, by any means and in any form,
 - transferring the work to a device using which it may be replayed (mechanical reproduction),
- b. making the work available to the public, e.g.:**
- communicating the work to the public over a connection by wire or wireless means, including the communication of the work in such a manner that members of the public may access the work from a place and at a time individually chosen by them,
 - performing the work in public to an audience present at the performance,
 - offering copies of the work for sale, for rent or for loan, or otherwise distributing it to the public.

1.4 Performing and communicating the work to a comparatively large, closed group of persons in connection with commercial activities shall also be considered a public performance and communication of the work to the public.

1.5 The exclusive rights of music authors are transferred or submitted to Teosto for management on the basis of agreements signed by Teosto and the authors, and agreements signed by Teosto and other domestic and foreign music rightholders, in the manner and to the extent defined in those agreements.

1.6 A licence from Teosto to perform a musical work shall not be required if the work is in the public domain, i.e. if copyright protection on the work has expired or it is otherwise not covered by copyright, or if free use of the work is provided for by law, or if Teosto does not represent the authors of the work in question.

1.7 These General Terms and Conditions, the agreement between Teosto and a Customer, and a Teosto licence to use music shall apply only to the rights of authors represented by Teosto and only to the rights, contexts and modes of use of music use specifically agreed upon. A licence granted by Teosto therefore does not cover for instance the rights of record producers or performing artists, nor does it entitle the licensee to use the lyrics of a musical work without the music. For such rights, contexts and modes of use of music use, the Customer must enter into a separate agreement as necessary. The agreement shall also not cover the music author's moral rights nor the arrangement, translation or other adaptation of the work concerned.

2. Definitions

2.1 In these General Terms and Conditions:

- a. 'Music author' shall mean a composer, lyricist, arranger or publisher of music;
- b. 'Work' shall mean a musical composition, arrangement of a composition, text combined with a composition or translation of such a text;
- c. 'Music user' shall mean any party that uses music in its operations, whether a company, a corporation, a self-employed person, a private individual or any other party;
- d. 'Customer' shall mean any party that enters into an agreement with Teosto concerning music use, whether a company, a corporation, a self-employed person, a private individual or any other party;
- e. 'fee basis' shall mean the scope, volume, extent, time period or duration of, or income or revenue from, a mode or context of music use or any other similar circumstance capable of being quantified or estimated, as communicated by Teosto to the Customer from time to time.

3. Customer Agreement and its entry into force

3.1 An agreement between the Customer and Teosto enters into force when Teosto has accepted and registered the information submitted by the Customer as requested by Teosto, including fee basis information.

3.2 The licence agreement consists of a confirmation of agreement, any context-specific special terms, and these General Terms and Conditions.

4. Confirmation of agreement and reclamation

4.1 Once the agreement has entered into force in accordance with clause 3.1, Teosto shall send the Customer a confirmation of agreement.

4.2 In the event that the Customer does not submit a reclamation concerning errors or omissions in the confirmation of agreement to Teosto within fourteen (14) days of the date on which the confirmation of agreement was sent, Teosto shall be entitled to apply the terms and conditions specified in the confirmation of agreement to the contractual relationship.

5. User rights and changes to them

5.1 Teosto grants the Customer a non-exclusive licence to use copyright-protected musical works represented by Teosto from time to time (licence). The licence granted applies to those music users, contexts and modes of use specifically agreed on when entering into the Customer Agreement with Teosto in accordance with clause 3.1 or subsequently accepted by Teosto for inclusion in the licence. The licence may also include other terms and conditions imposed on music use.

5.2 The licence shall be valid as of the date specified in the Customer Agreement. The period of validity for the licence shall appear in the Agreement confirmation.

5.3 For the sake of clarity, it is hereby noted that the licence shall not cover the rights referred to in clause 1.7 nor any other rights represented by third parties.

5.4 Another music user, context and mode of use or changes to the same shall be considered to be included within the scope of the licence when the Customer has notified Teosto thereof and Teosto has accepted it for inclusion in the licence.

5.5 Having accepted and registered such a change, Teosto shall send the Customer a confirmation of change.

5.6 If the Customer does not submit a reclamation concerning errors or omissions in the confirmation of change to Teosto within fourteen (14) days of the date on which the confirmation of change was sent, Teosto shall be entitled to apply the terms and conditions specified in the confirmation of change to the contractual relationship.

5.7 A licence granted by Teosto shall never entitle the music user to intensive use of music, such as for marketing or commercial use. 'Intensive use' refers to an event, a phenomenon, a product or an artwork being based to a substantial extent on the use of one or more particular works so that the work(s) or its/their musical author(s) can readily be identified with the event, phenomenon, product or artwork in question. Whenever it seems possible that music use might be construed as intensive use, the music user is required to notify Teosto of such a possibility before commencement of this use.

6. Customers in a consumer role

6.1 A Customer in a consumer role shall have the right to cancel the Agreement by reporting the same to Teosto within fourteen (14) days of the date on which the Agreement was made. However, no right to cancellation shall apply after the licence has entered into force or the Customer has initiated use of the music agreed. In other respects, the General Terms and Conditions shall be applied to those Customers in a consumer role, unless the latter are affected otherwise by the Consumer Protection Act.

7. Teosto's right to refrain from concluding an agreement or from granting a licence

7.1 Teosto shall be entitled to refuse to enter into a Customer Agreement or to grant a licence if Teosto has a receivable from the Customer or music user based on copyright infringement; has a not insignificant and overdue receivable deriving from the Customer Agreement; the Customer or music user have materially or repeatedly infringed the rights provided for in the Copyright Act; or has any other justifiable reason for doing so.

8. Copyright royalties

8.1 Copyright royalties payable for the use of the rights specified in clause 5.1 shall be determined according to the fee basis information submitted by the Customer to Teosto and according to the Teosto tariff for each context and use of music use applicable from time to time. The currently applicable tariffs are available from Teosto.

8.2 In the event that the Customer does not submit fee basis information or other relevant information needed to determine the fee basis to Teosto, Teosto shall be entitled to estimate the copyright royalties at its sole discretion and invoice the Customer accordingly.

8.3 Teosto shall add value added tax in accordance with the law at the time or the corresponding amount of indirect tax or payment as designated by these General Terms.

9. Customer's duty of notification

9.1 The Customer is responsible for submitting to Teosto any and all information required for granting the licence and for determining the amount of copyright royalties payable.

9.2 The Customer is responsible for notifying Teosto without delay of any matters or circumstances that affect the determination of copyright royalties or the contractual relationship between the parties. Such matters or circumstances include but are not limited to changes regarding music users, contexts and modes of music use, as these constitute changes in the fee basis and may affect the determination of the copyright royalties payable on the licence.

9.3 The music users referred to in clause 5.1 above may submit a notification of changes in the fee basis to Teosto if authorised by the Customer to do so.

9.4 The Customer shall, however, always be responsible for the correctness of the information submitted.

10. Terms of payment and delayed payment

10.1 The Customer shall pay invoices sent by Teosto no later than on the due date stated on the invoice. The standard terms of payment are 14 days net.

10.2 For delayed payments, Teosto shall be entitled to charge the valid interest on late payment from the due date in accordance with the Interest Act.

11. Other obligations of the Customer

11.1 Teosto may impose other contractual obligations on the Customer, such as the requirement to submit information related to the use of works, contexts or modes of music use, or other relevant information. Such requirements shall be agreed on separately in accordance with clause 5.1.

11.2 The Customer shall be obligated to remit notification or other negligence charges determined by Teosto that have arisen from negligence or a failure to comply with the Agreement, in the event that this is agreed in the special conditions.

11.3 The contractual liability of the Customer shall not be affected even if someone else is responsible for obtaining the relevant licences and paying copyright royalties, on the basis of an agreement between the Customer and music user, or between the Customer or music user and a third party, or for any other reason.

12. Precautionary measures and Teosto's right of inspection

12.1 In order to avoid anticipated credit losses or for some other special reason, Teosto shall be entitled to require that copyright royalties in accordance with the tariff applicable from time to time be paid in advance, or that a security of equivalent value be pledged.

12.2 Teosto shall be entitled to inspect the correctness of information submitted by the Customer concerning the fee basis. Teosto shall inform the Customer of such an inspection well in advance. The inspection shall be carried out at Teosto's expense, unless Teosto can demonstrate that the information submitted by the Customer would lead to substantially lower copyright royalties than the correct information and that this is due to causes attributable to the Customer.

13. Teosto's duty of notification

13.1 Teosto is responsible for notifying the Customer of any changes to the fee basis, the tariff or the terms of payment well in advance, though no later than six (6) weeks before such a change enters into force.

14. Responsibility for rights

14.1 Teosto is responsible for ensuring that it has the right to grant to the licence referred to in clause 5 to the Customer.

15. Assignment of agreement

15.1 The Customer is not entitled to assign or transfer the agreement with Teosto, obligations or rights contained within the Agreement or the licence granted to any third party without the prior written consent of Teosto.

16. Confidentiality and secrecy

16.1 Teosto undertakes to keep confidential any and all information concerning the business of the Customer and of the music user referred to in clause 5.1 that may be construed as trade or professional secrets.

16.2 Teosto shall handle personal information only in the manner stipulated by the Personal Data Act. The Register descriptions can be found on Teosto's website.

16.3 Teosto may nevertheless relinquish information mentioned in clauses 16.1 and 16.2 to other associations governing such rights to the extent that relinquishment is necessary for the management of the rights of Teosto and this sort of association, as well as to implement the cooperation connected with the issuing of music licences.

17. Information obtained from the Customer

Teosto may use information obtained from the Customer in, for instance, the implementation of services and their use, archiving, invoicing and technical development, as well as for marketing purposes in accordance with the valid legislation, in non-individualising and non-recognisable form.

18. Validity and expiry of the agreement

18.1 The agreement shall enter into force in accordance with clause 3.1 and shall remain valid for a separately agreed period or until terminated or cancelled according to these General Terms and Conditions. However, the agreement shall in any case remain valid until the end of the reclamation period specified in clause 4.2 or 5.6, as applicable.

18.2 Either party may terminate the agreement in whole or in part at one (1) month's notice. Notice of termination shall be given in writing or otherwise verifiably.

18.3 If a copyright royalty fee invoiced on the basis of a licence granted has not been paid after thirty (30) days have elapsed from the due date, or if the information the Customer is required to submit or confirm according to this agreement is false or materially incorrect, or if the Customer neglects to submit such information, Teosto shall be entitled to cancel the agreement without notice, in which case the licence granted shall expire with immediate effect.

18.4 Teosto shall also be entitled to cancel the agreement with immediate effect if the Customer is declared bankrupt, is placed in liquidation or is otherwise found to be insolvent.

18.5 Teosto shall be entitled to cancel the agreement with immediate effect if the rights referred to in clause 1.5 are materially or unexpectedly curtailed, decreased or cancelled. If Teosto cancels the agreement in part, the Customer shall be entitled to cancel the agreement in whole with immediate effect.

18.6 If the Agreement is cancelled by Teosto on the basis of clauses 18.3-18.5, the licence granted shall dissolve with immediate legal effect.

19. Effects of the expiry of the agreement

19.1 The licence granted to the Customer shall expire at the same time that the period of validity of a fixed-term agreement expires or when the agreement expires due to termination, cancellation or any other reason, unless according to the terms of the licence it expires earlier.

19.2 Teosto may impose other contractual obligations on the Customer concerning the expiry of the agreement, such as the requirement to destroy any recordings made by the Customer or music user on the basis of the licence or to submit information related to the use of works or contexts of music use, or other similar relevant information. Such requirements shall be agreed on separately in accordance with clause 5.1.

20. Liability for damages

20.1 The Customer shall be liable for any direct damages caused to Teosto or to a music author represented by Teosto through a breach of agreement by the Customer.

20.2 The liability referred to herein shall not be construed to limit the right of Teosto or the music authors represented by Teosto to claim damages against the Customer on the basis of the Copy-

right Act, the Tort Liability Act or any other provisions, or on any other basis.

20.3 Teosto shall be liable for any direct damages caused to the Customer through a breach of agreement by Teosto.

20.4 Neither party shall be liable for consequential or indirect damages caused to the other party. Indirect damages include but are not limited to loss of revenue, loss of market share, decrease of goodwill, or damages due to interruption of operations or production.

20.5 Neither party shall be liable for damages that may be caused to the other party due to the cancellation of the agreement.

21. Force majeure

21.1 Neither party shall be liable for damages or delays caused by factors or circumstances which are beyond the control of the party and which that party could not reasonably have avoided or overcome, or foreseen at the time of signing the agreement (*force majeure*).

21.2 A party encountering *force majeure* shall immediately notify the other party of this in writing and include an estimate of the duration of the *force majeure* condition.

22. Applicable Law and Settlement of Disputes

22.1 Excluding choice of law rules, Finnish law shall be applied to these General Terms and Conditions.

22.2 Any disputes arising from or related to these General Terms and Conditions or the agreement between Teosto and the Customer in accordance with clause 3.1 shall be resolved in the court of first instance, i.e. Helsinki District Court. A Customer in a consumer role may, however, also take a dispute to the District Court or Consumer Complaint Board of his/her domicile for resolution.

23. Validity and amendment of the General Terms and Conditions

These General Terms and Conditions shall enter into force on 1 January 2013 and shall remain valid until further notice.

23.2 Teosto is entitled to amend these General Terms and Conditions by notifying the Customer thereof no later than six (6) weeks before the amendment enters into force. The new, amended General Terms and Conditions shall also apply retroactively to all agreements concluded before the amendment entered into force. In the event that the Customer does not accept an amendment to the General Terms and Conditions, the Customer shall have the right to terminate the Agreement in accordance with clause 18.2.