



KOPIOSTO IN 2018



**Director
Virpi Suutari
values
copyright
remunerations
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**Artist group
Honkasalo-Niemi-
Virtanen got the
Critics' Spurs
award
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**Actor Taneli
Mäkelä has
many sources
of income
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**With documentaries,
it is difficult to make
a steady living.
Kopioisto's copyright
remunerations have
often been the saviour
of my finances.**

**– Virpi Suutari,
director, Euphoria Film**



PHOTO: RIITTA SUPPERI

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WE ARE KOPIOSTO

We at Kopiosto enable an easy and responsible way to use copyrighted publications and audiovisual works in educational institutions, businesses and public administration. We also ensure that professionals in the creative industry receive fair remuneration for the use of their works.

We represent a wide range of creative authors, such as authors, illustrators, publishers, translators, actors, directors, and journalists. We are the most comprehensive copyright organisation in Finland.

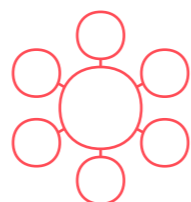
We work according to our values of openness, unity and boldness to promote creative work.

Kopiosto in numbers



1978

Kopiosto was founded



45

culture and communications member organisations



employees



68%

women



32%

men

Promoting creative work



We make sure creative authors, publishers, and performing artists get the remuneration they are entitled to for the use of their works.

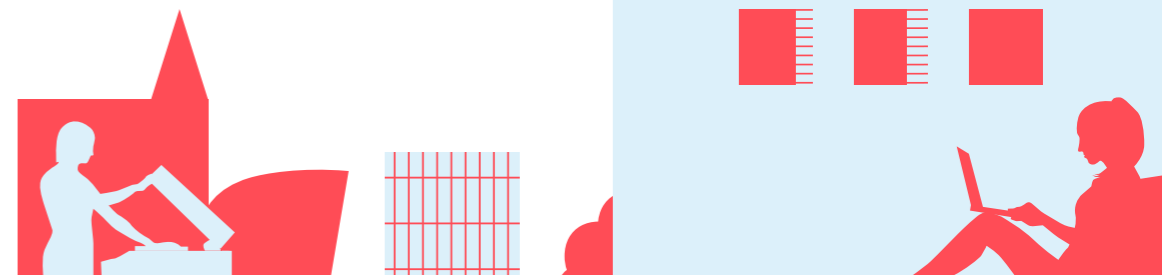
50,000

Finnish copyright holders have given their authorisation

45 M€

to be distributed to creative authors

We enable the use of copyrighted publications and audiovisual works easily and responsibly in educational institutions, businesses and public administration.



YEAR OF SURPRISING COMPENSATION DECISION

In an otherwise good year, the government's surprising decision to cut compensation for private copying caused extra work for us. Authors joined forces and managed to have the decision reversed.

2018 was a good year for Kopiosto in many ways. We achieved our financial and operational targets.

2018 was also the 40th anniversary of Kopiosto; it was celebrated in September. Past decades have shown how important collective management of copyrights is and how our system can renew in step with the operating environment.

DIVISION DISPUTE HINDERING PROGRESS

The importance of moving picture has grown and keeps growing further. People use ever more audiovisual materials with different equipment in widely varying environments. We must develop our licencing products to keep up with this change. For example, there is no licencing product for showing television programmes in public spaces like there is for music. Developing a licence for this, to the benefit of both authors and producers, would require cooperation by the copyright organisations, and this would appear to be very difficult right now in light of the division dispute.

We are concerned about the ongoing dispute with audiovisual producers over the division of remunerations from online recording services as well as other issues with collective management. To be able to provide the best possible service to the market, we must find a common understanding over these issues.



UNITED FRONT CONVINCED DECISION-MAKERS

One of the biggest challenges of the year came with the surprising decision made by the government to cut the budget for compensation for private copying, first by two million euros for the year 2019 and by four million for the year 2020.

All copyright organisations joined forces and convinced the decision-makers of the importance of the compensation – at least temporarily. In December, the parliament allotted an additional appropriation from its unallocated funds or so-called Christmas funds that will keep the compensation at the previous level of 11 million euros in 2019.

One of our goals for the coming parliamentary term is that the government programme includes the compensation for private copying and that this entry will lead to updating the whole system.

This is important for the whole creative industry, as the compensation is used not just in direct remunerations but also in promoting the audiovisual sector nationally as well as supporting the internationalisation of creative sectors.

COPYRIGHT ACT ACTS AS THE FOUNDATION

Our influencing work is straightforward as our operation is based solely on the Copyright Act. When the Act is clear and the rights and limitations are well-defined in it, our licencing activities are on firm ground. We hope corrections and improvements will be made to the Act during the next parliamentary term to maintain the balance between rights and limitations.

The national transposition of the new copyright directive within the next two years will keep us quite busy, as those preparing the law will need our expertise in their work.

In our influencing work, it is important for us to cultivate good relationships in many directions: our member and sister organisations, the Ministry of Education and Culture, and political decision-makers and influencers.

In these circles, knowledge of the Copyright Act is often at a very high level. However, we need to communicate to a larger audience in an understandable way the benefits of copyrights to the whole society. This is why we invest in our communications and continuously think of new ways to highlight copyrights and authors in the creative sector.

DEVELOPMENT PLAN FOR ALL

We continue to monitor continuously our operating environment to be able to anticipate future changes and to see the needs for new licencing solutions in good time.

In 2018, we defined the knowhow and skills critical to Kopiosto in our knowhow development project, and we went through the level of knowhow and future needs with each Kopiosto employee. This work was to basis for identifying together five areas for developing knowhow of each of us going forward.

I thank our skilled and committed staff for the past year. For many of us, promoting the creative cause is close to our hearts – that is the spirit that makes it easy to push on and work for copyrights and the success of the creative industry.

Valteri Niiranen
CEO

YEAR 2018 IN BRIEF



40 years advancing creative work

Kopioisto was founded in 1978 to take care of the photocopying of works becoming more common in educational institutions and distributing the copyright remunerations from this copying to the authors and publishers of the works. Over the decades, Kopioisto's licences and services have become more varied, being renewed as the needs of the operating environment, users, and clients have changed. We celebrated our 40 years in Bio Rex in mid-September together with authors, civil servants, decision-makers, member organisations, and other stakeholder groups.

New look to take us forward

In honour of our 40th anniversary, we refreshed Kopioisto's look, which was taken into use in connection with the overhaul of our website. Our new logo is based on the copyright sign, turning it by 90 degrees and making it into a smile. Our logo conveys our core message: fostering copyrights leads to satisfied creative professionals and users of their works.

24 literary awards

Several cultural prizes are financed with the copyright remunerations we collect. In literature, Kopioisto remunerations finance as many as 24 awards. The best known ones are the Finlandia Prizes, but the list also includes the likes of Warelius, Mikael Agricola, Science book of the year and Topelius prizes as well as Textbook writer award.



In 2018, one of the prize winners were the **Honkasalo-Niemi-Virtanen** group, which got the Critics' Spurs award from the Finnish Critics' Association.

PHOTO: ERNEST PROTASIEWICZ



The state of digitalisation in teaching

In our seminar, arranged with the Finnish National Agency for Education and Ministry of Education and Culture at the end of October, the state of digitalisation in teaching was discussed. The debaters included Minister of Education **Sanni Grahn-Laa-sonen**, **Heljä Misukka**, Director of Educational Policy in the Trade Union of Education in Finland, and **Olli-Pekka Heinonen**, Director General at the Finnish National Agency for Education.

Licence to use works in early childhood education

Finnish National Agency for Education agreed with Kopioisto and Audiovisual Producers Finland (APFI) on licences to use copyrighted materials in teaching and early childhood education in 2019. The licences cover e.g. copying of materials and showing of TV programmes in pre-primary, primary, and secondary education, in vocational training leading to a basic degree, and now for the first time in early childhood education.

Minister of Culture **Sampo Terho** and director **Johanna Sipola** from Chamber of Commerce reflected upon the prospects of the creative industry in the *Bold creativity leap!* event.

PHOTO: RAMI NUMMELIN

Study of the use of digital materials in teaching

In the autumn of 2019, we and the Finnish National Agency for Education looked into the use of digital materials in teaching: what materials are used and how, and how teachers use materials of their own or produced by others. Moreover, we found out what kind of copyright issues teachers face, what they need to know about copyrights and how our services can be developed to meet their needs.

Inspiration to creativity leap

Together with Sanasto and Teosto, we arranged a debate during SuomiAreena forum in Pori. The "Bold creativity leap! – More momentum to growth and internationalisation from creative sectors" event sought new insights into the future of the creative industry. The topic was discussed by artist **Mari Rantasila**, writer **Antti Tuomai-nen**, minister **Sampo Terho**, and co-founder and president **Ulla Junell** from Kaiken Entertainment, among others.

Tiger's world premiere at the Cannes Film Festival

Short film *Tiger*, written and directed by **Mikko Myllylahti**, had its world premiere at the Cannes Film Festival in the La Semaine de la Critique section in May. *Tiger* has been produced as a part of AVEK's, Finnish Film Foundation's and Yle's "One night stand" project.

PHOTO: TUOMAS SAULIALA



DIGITALISATION CHANGES AUDIOVISUAL DISTRIBUTION AND EDUCATION

The general climate is positive towards copyrights, but the competition within the sector is becoming fiercer.

A large part of everyday life happens online, and this brings content to new equipment in new ways. The distribution of works becomes more complex and obscure. Focus shifts from products and equipment to services.

Technology and digitalisation create new needs and ways of using creative works. Photocopying and scanning are in constant decline, and the audiovisual field is undergoing a change. Kopiosto needs to find its role and own ways of responding to these changes.

AUDIOVISUAL DISTRIBUTION AT A TURNING POINT

The value chains of the production and distribution of audiovisual content become more complex, and this creates new ways of financing and paying for content. Companies earlier known as phone operators are taking on the role of production companies and TV channels as producers and publishers.

Despite the rise in streaming services, traditional television is still going strong, and linear or traditional broadcasts are watched more than ever.

TAILWIND FOR COPYRIGHTS

The conditions are excellent for copyrights.

According to the copyright barometer published in November 2018, attitudes towards copyrights and their remuneration have become much more positive. Young respondents of

15–24 years of age were particularly positive in their views.

Decision-makers also understand better how significant the growth of the creative industry is for the whole society, and the importance of immaterial rights grows in the global economy. There are considerable possibilities for increasing exports in the creative industry.

On the other hand, the copyright sector has clearly become more competitive, particularly in the audiovisual area. Moreover, clients are increasingly demanding for a possibility to acquire all licences from one place.

TEACHING SLOWLY BECOMES DIGITAL

In teaching, the use of digital learning materials has grown, but the transformation is still clearly unfinished. Today, existing materials are mainly being digitised in educational institutions by e.g. scanning copies into PDF files. This method is not tenable in the long run, as digitalisation is expected to transform the principles of education. Simulations, gamification and virtual or augmented reality will accelerate the change of the whole education system.

Schools and other educational institutions are financially so important to Kopiosto that special attention has to be paid to any changes there, so it is in Kopiosto's interest to develop new methods for following the learning materials market more closely. ●



What happened on my birthday?

The "Time Machine" of Helsingin Sanomat newspaper gives digital subscribers access to old newspapers, e.g. on their own or their grandmother's birthday.

The publication of old newspapers is enabled by Kopiosto's archive licence for newspaper publishers. Helsingin Sanomat is one of its first users. The licence makes it possible for publishers to open up their archives for their readers.

Time Machine was opened in 2017, and it has copies of Helsingin Sanomat from 1904–1997 and copies of its predecessor Päivälehti from 1899–1904. In all, there are 32,000 facsimile editions in the service.

Over the years, customers have asked for a possibility to read old newspapers online.

"The Time Machine is mostly used by people studying history. Genealogy, for example, is

very popular today, and the archive is used to find information about family members," says **Vesa Lindqvist**, Business Development Manager at Sanoma.

"The project was very interesting: hardly ever has such a vast amount of digital content been published at one go."

The materials had been digitised earlier; Sanoma developed a dedicated site for them, where you can find the materials you want with a search engine or see what the newspaper of the day 25, 50, or 100 years ago contained.

"There is a lot of material, and the contractual practices used vary considerably. The extended collective licence model made it possible to reach an agreement between Kopiosto and publishers."



Hardly ever has such a vast amount of digital content been published at one go.

– Vesa Lindqvist,
Business Development Manager at Sanoma



THE HARDEST YEAR FOR THE AUDIOVISUAL SECTOR

For the audiovisual sector, 2018 was the hardest and most challenging year ever in terms of copyrights.

Preparations for the trial on retransmission of domestic television channels started in January. The division of remunerations from online recording services could not be agreed on between producers and authors during the year.

RETRANSMISSION STILL UNSOLVED

In Finland, an exceptional practice has been established: no remunerations have ever been paid for the retransmission of domestic TV channels. In other Nordic and EU countries, retransmission is the oldest and most established area of audiovisual collective licencing.

After EU Commission's reprimand retransmission remuneration was brought back to the Finnish Copyright Act in 2015, but even then, operators have not been willing to settle and pay remuneration for the retransmission of domestic TV channels.

Negotiations have been ongoing for four years, but no agreement has been reached. Operators do not consider their cable distribution of TV channels retransmission, which it in Kopiosto's opinion is. Kopiosto has taken this matter to court.

PRODUCERS DEMAND AUTHORS' RIGHTS

Operators have now shifted their responsibility for paying copyright remunerations to transmission companies and they in turn to production

companies. They demand that audiovisual authors assign, for example, their retransmission rights to them.

One of the justifications for these demands is that without the transfer of rights, collectively managed by Kopiosto, production companies cannot distribute the works, record them online or use them in public. This is not true. Kopiosto is always ready to agree on the use of the collective rights it manages.

The collective managed rights concern the secondary use of works, when they have been broadcast on TV. Agreeing on secondary use belongs to the area of collective management, separate from primary use of works and related rights. These are agreed on by the production companies and users.

Collective management is needed for practical reasons. For example, a teacher wanting to show TV programmes to his class cannot get licences separately from all authors and producers of all the shows.

Legislation generally provides for the collective secondary use of works through a collective extended licence. When an organisation like Kopiosto, representing a whole sector, grants a licence to an operator, it is comprehensive.

In the area of collective management, producers have their own licences through APFI, Audiovisual Producers Finland.



Increasing understanding over the roles and practices of different use areas will help in releasing tensions.

Kopiosto agrees collectively on the use of audiovisual works



ARBITRATOR TO SET DIVISION RATIO

Another issue which has troubled the sector for a long time is the dispute over the division of copyright remunerations from online recording services of domestic productions.

Since 2015, copyright remunerations are collected on the basis of the licencing solution for online recording services at about 15 million euros per year. Remunerations have been paid to copyright holders of music and American production companies, but not once to domestic authors and producers.

Mutual understanding has not been reached in negotiations even with the help of a mediator over the ratio of division between authors and producers. Now the matter has been taken into arbitration, which hopefully leads to a solution quickly.

RELEASING TENSION ENABLES INNOVATION

The online recording services licence and remunerations collected on its basis were the biggest new development in the copyright sector in decades. However, there is still a lot of unused potential in retransmission of domestic programmes and public performance.

Kopiosto is working to release the tensions in the sector, to be able to move forward in new areas in cooperation with producers.

Kopiosto believes that increasing understanding over the roles and practices of different use areas will help in releasing tensions. The secondary use market cannot work with the collective management system, and the primary use market does not benefit from secondary use becoming more difficult. ●

COMPENSATION FOR PRIVATE COPYING SUPPORTS CREATIVE WORK

PORTRAITS: RIITTA SUPPERI

Taneli Mäkelä



IMPORTANT ADDITION TO THE INCOME OF CREATIVE AUTHORS, CONSISTING OF SMALL STREAMS

Jenni Pääskysaari



Virpi Suutari



6,500

domestic creative authors and performers receive remuneration from Kopiosto every year from the compensation for private copying.

Selma Vihunen



2.8 M€

remuneration directly to the authors

2.3 M€

support to audiovisual culture

140

film projects and media art works get support from AVEK from the compensation for private copying every year.

For example, Mikko Myllylahti's short film *Tiger* which competed in Cannes in 2018, Virpi Suutari's documentary *Entrepreneur*, and Milja Viita's media art work *Animal Bridge U-3033* have received funds from AVEK.



SUPPORTING THE VITALITY OF NEW CULTURE AND INTERNATIONALISATION OF THE CREATIVE ARTS

The figures are based on 2018 information.



0.04 € compensation /copied video or music file

To compensation for private copying
11 M€
from state's budget*

5.1 M€

of compensation for recording of audiovisual works is distributed through Kopiosto and AVEK

Kopiosto

*In addition to Kopiosto, compensation for private copying is distributed by e.g. Teosto and Gramex.

EVERY WORK IS MADE BY SOMEONE

Compensation for private copying is statutory compensation for every citizen's right to copy legal works for their own use. For example, saving your favourite series in your digital converter box is private copying.

The funds for the compensation for private copying come from the state budget (11 million euros in 2018).

Compensation is paid from Kopiosto as direct remuneration to the authors and through AVEK as funds allocated to promoting the audiovisual arts.

The compensation is about 4 cents per copy. It is distributed between all the authors with copyrights to the work. For example, about 10–15 authors get compensation for one film.

The real level of the compensation for private copying has plummeted over the years. In Finland, the compensation is small in international comparison.

Developing the system of compensation for private copying is important to promote the domestic audiovisual sector.

LICENCES FOR THE RIGHT NEEDS

Listening to our clients helps us develop new licencing solutions that meet their needs exactly. A good example of this is the licence developed for early childhood education.

In many areas, the challenge in developing our products and services is the still changing technology. Traditional photocopying and sharing information on paper is in decline, replaced by digital methods. The use of audiovisual materials is growing.

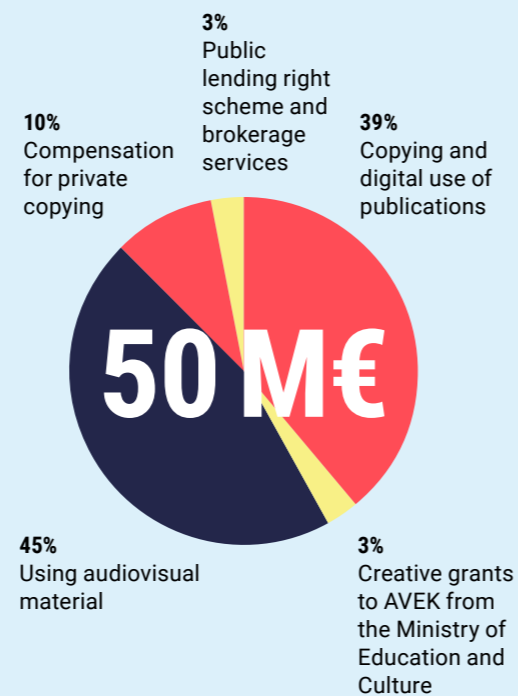
The need for information increases constantly. This is why our licences need to serve the needs of businesses and educational institutions as well as possible.

Consequently, we do demand surveys to get information from our clients about their needs and problems to be used in our development work.

LICENCE FOR EARLY CHILDHOOD EDUCATION

The highlight of 2018 was the centralised licence negotiated for early childhood education, covering both publications and audiovisual materials. Thanks to this licence, kindergartens are allowed, for example, to show kids domestic programmes from Yle Areena. The licence came into force at the beginning of 2019.

Distribution of remunerations in 2018



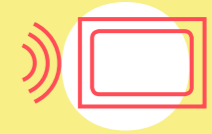
Kopiosto's licence products



Copying material and works in teaching, companies, and public administration



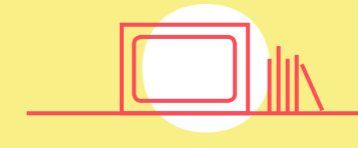
Licencing of online recording services



Retransmission of TV channels



Using TV programmes in teaching



Library and institutional use of recorded TV and radio programmes



Using old newspaper materials

This was an important development for Finnish National Agency for Education and the whole country in terms of equal treatment of children. Going forward, the same tools can be used in their education. The licence supports the Agency's other investments in early childhood education.

LICENCES EXPANDED

The copying licence of publications targeted at businesses was renewed and extended to cover all the authorisations Kopiosto has.

At the same time, ordering the licence was made easier. Now, a piece of research made earlier makes it possible to define the remuneration according to the number of employees, i.e. the customer no longer needs to report the number of copies made.

The licence for the public administration was extended in negotiations conducted during the year. In addition to copying, online printing and scanning, the licence now includes copying from the web.

COPYRIGHT MARKINGS ON WEBSITES

One of the challenges in our services and products is that there are alternative ways on the market to allow the use of materials in addition to Kopiosto licences. For example, Creative Commons licenced materials can be used according to the licence terms.

The terms of use of online materials are often hard to find, and this is why we started a project in the autumn, aiming at creating an easy-to-use sign to aid website managers and users. The goal is to have a clear icon on the websites indicating whether the materials can be used freely, for teaching purposes, or with Kopiosto's licence. ●

LUKUKLAANI INCREASED ENTHUSIASM FOR READING



Money to develop libraries and buy new books – Lukuklaani provided practical tools to increasing enthusiasm for reading among students.

Concerns over children’s literacy brought the Finnish Cultural Foundation and Kopiosto together. Their joint Lukuklaani (Reading Clan) project provided practical aid to schools worth 2 million euros in 2017–2018.

According to the PISA study, children’s literacy declined in Finland more steeply than any other OECD country in 2000–2012, and a clear gap grew between girls and boys. This is why the project was targeted at elementary and comprehensive schools in Finland with special emphasis on third and fourth graders and boys.

In the first phase of the project in the autumn of 2017, schools got to think of ways to develop their libraries. 445 schools sent their library development plans to Lukuklaani. A jury consisting of members of the Finnish School Library Association selected 282 schools from

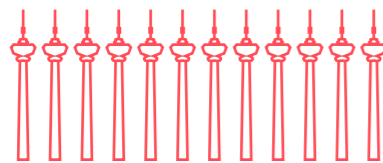
the applicants; in total over 600,000 euros was distributed to them in the spring of 2018.

The prizes made it possible to have updated school libraries for 85,000 students. About half of the money went to new books; the winners got 22,000 new books.

In the second phase in the autumn of 2018, all elementary schools in Finland received a package of 50 books in the mother tongue of the readers. The book donations were worth about one million euros.

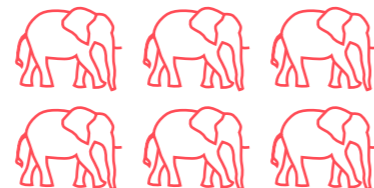
The schools receiving funds in the first phase have reported that children’s enthusiasm for reading has grown, when new and interesting books are available to them. The number of book clubs has grown clearly, and they inspire boys in particular to read more. ●

Lukuklaani gift of books to elementary schools



12 Näsinneula Observation Towers

The height of the books stacked



6 African elephants

The weight of the book packages



Books for wanderers

Remote school Kulkuri came second in Lukuklaani’s competition and won 15,000 euros with its e-library idea.

Kulkuri (Wanderer) is a remote school for students living abroad, teaching them Finnish and, if necessary, all the primary school subjects in Finnish. The main purpose of the school is to support Finnish language skills and Finnish culture.

“When we noticed Lukuklaani’s competition, we started brainstorming with students, parents, and teachers and came up with an e-library,” says **Tuija Tammelander**, the head of the school.

The e-library of their dreams opened in November 2018. Students can lend books, but the library also has tips of good books, visiting authors, book reviews and other information related to books and libraries. The aim is to get the students excited about reading.

With the Lukuklaani funds, the library got e-book licences for two years. The funds were also used for reading tip videos and to create a direct link from Kulkuri online school.

“The e-library has been a huge change for us. Earlier, reading assignments have depended on which books are available. Now the students can read the same book, do exercises, and share experiences. Enthusiasm for reading grows, too, as engaging books are easily accessible.”



Enthusiasm for reading grows, as engaging books are easily accessible.

– **Tuija Tammelander**,
Head of the remote school Kulkuri

REMUNERATION FOR THE WORK DONE

Our goal is to make sure the copyright holders are compensated for the use of their works. In 2018, we distributed in total 34 million euros in copyright remuneration to performing artists, authors and publishers.

The remuneration for copying and digital use is paid to our member organisations representing domestic authors and publishers as well as to our sister organisations abroad based on reciprocal agreements. These organisations distribute the remuneration from us to their members as grants, direct remuneration, or by organising services that benefit creative professionals and publishers. Member organisations also use copying remunerations to finance many creative industry prizes.

We pay compensation for the use of audiovisual works as personal remuneration as well as remuneration to copyright organisations in Finland and abroad. In addition, we distribute compensation for private copying to audiovisual creators and as public lending right scheme remuneration to visual artists.

AVEK'S SUPPORT TO DOMESTIC AUDIOVISUAL CULTURE

AVEK, the Promotion Centre for Audiovisual Culture in Finland, which operates in connection with Kopiosto, distributed just under 4 million euros to domestic audiovisual culture in 2018. AVEK's funds come mainly from the compensation for private copying. In addition, AVEK provides support to the creative industry through DigiDemo, CreaDemo, and StepDemo from funds allocated by the Ministry of Education and Culture. ●

Remuneration paid to copyright holders and support to audiovisual culture in 2018

- ➔ 14.6 million euros remuneration for copying to authors and publishers
- ➔ 1.6 million euros remuneration to foreign reciprocal partners
- ➔ 13.3 million euros to the authors, performers, producers and broadcasters of audiovisual works (incl. compensation for private copying)
- ➔ 0.9 million euros public lending right scheme remuneration for visual artists
- ➔ 3.8 million euros support to domestic audiovisual culture (AVEK)



There's peace of mind in knowing that someone is looking after my rights, too.

- Taneli Mäkelä, freelance actor

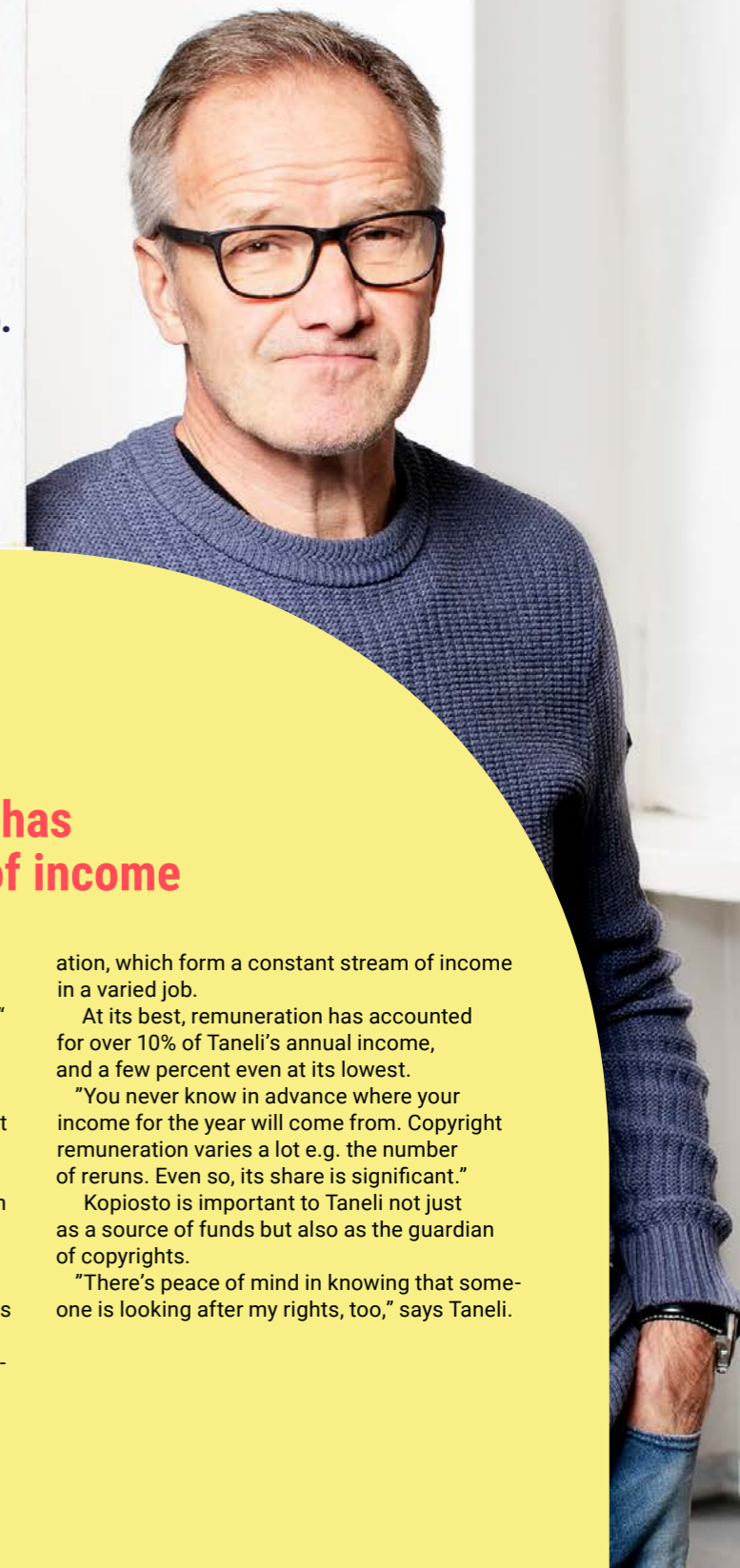


PHOTO: RIITTA SUPPERI



Jack of all arts has many sources of income

Taneli Mäkelä has been a freelance actor for his whole career, since 1985. There are good and bad sides to working as a "jack of all arts."

"I have had the golden opportunity to do many different kinds of jobs. As a freelancer, work also keeps you suitably humble. On the other side, there is a nagging worry about what tomorrow will bring," Taneli says.

He acts in the theatre, films, TV and radio productions, and he does voice over for ads. In addition, he has directed, written scripts and even done some singing.

So his income comes from many different sources and it varies every year. Theatre actors usually get wages, and from films and TV programmes they also receive copyright remuneration, which form a constant stream of income in a varied job.

At its best, remuneration has accounted for over 10% of Taneli's annual income, and a few percent even at its lowest.

"You never know in advance where your income for the year will come from. Copyright remuneration varies a lot e.g. the number of reruns. Even so, its share is significant."

Kopiosto is important to Taneli not just as a source of funds but also as the guardian of copyrights.

"There's peace of mind in knowing that someone is looking after my rights, too," says Taneli.

FLEXIBLE SUPPORT TO AUDIOVISUAL EXPRESSION

Due to compensations being partly transferred from 2017, AVEK was able to distribute 4 million euros in support of audiovisual works.

The support policy of AVEK, the Promotion Centre for Audiovisual Culture in Finland, lends itself particularly well to supporting audiovisual arts left outside the mainstream, such as short films, documentaries and media art.

Our strength is our flexibility: we distribute support on the basis of the applications we get, so the authors decide themselves where the money is spent. Traditional division into genres is changing, particularly in short films, and flexible expression requires flexible support. AVEK is, for example, the most important backer of media art in Finland.

EXCEPTIONALLY HIGH AMOUNT OF SUPPORT

In 2018, AVEK had an exceptionally high amount of funds to distribute to support audiovisual culture.

This was due to the change of our operating period to the calendar year for the first time in 2018. About 1.5 million euros was transferred from the 2017 compensation for private copying to 2018, and this was added to the 2018 compensation.

During the year, we distributed a little under 4 million euros in support, a fifth more than the previous period. Compensation for private copying accounted for about 2.8 million of this, and the rest, 1.2 million, came from creative culture funds.

About a half of the applications received were approved, like previous years. In 2018, AVEK received 1,062 applications in all; 475 of these were approved.

STATE GRANTS CONTINUED?

Of the Ministry of Education and Culture allocated grants, CreaDemo supports product and service innovations and DigiDemo the creation of new methods of narration.

The two-year StepDemo trial, promoting the involvement of young people, was concluded at the end of the year. Even though its support amounted to only 150,000 euros, the project proved useful. Its continuation is worth considering.

In the three-year Mediarata project, we have distributed grants twice now. Mediarata is meant for strengthening production structures of media art. Hopefully it will become an ongoing form of support like the Demo grants. Its future depends largely on the policy of the future government.

MORE CELEBRATIONS

We continued celebrating AVEK's 30th anniversary reached the previous year in the spring of 2018 at the Tampere Film Festival. There we had two series of productions supported by AVEK and public discussions, envisioning AVEK's future for the next 30 years, among other things.

At Kopioisto's 40th anniversary party, artist Saara Ekström received the AVEK award; the annual award is worth 15,000 euros. According to the jury, Ekström has skilfully tapped into her strengths in photography and environments and applied them in media arts. ●

Exploring time

AVEK award winner **Saara Ekström** focuses on decay and the unseen world, history, and time in her art.

"The themes of transience are basic imagery in art. So, I work the same compost as others, but in my own way," says Saara.

In recent years, moving picture has become more and more interesting to the artist. It provides many kinds of means for exploring and recording the disintegrating and nourishing characteristics of time.

"I often wake up to an acute need for documentation. For example, the traces of the past in the structures of the Olympic stadium and the environs of the Turku county prison had to be saved before they changed or disappeared. They depict our society and history, and we can fight against forgetting them like this."

Finnish media art is doing well, Saara thinks. There are interesting artists in the field, and they create diverse and thought-provoking works.

Even so, there should be more financing for media art and other types of art. Support has



an impact on the artists' living, but also on what kinds of works they can create.

"When costs are cut, culture is among the first targets. That is one reason why it is important to have organisations like Kopioisto to look after the rights of artists."

PICTURES FROM "BODY ALL EYES" BY SAARA EKSTRÖM, 2018



Flexibility is AVEK's asset

Juha Samola heads for retirement after 30 years at AVEK. Audiovisual sector has developed during that time largely in step with technology.

The appearance of video technology led to the founding of the cassette levy system. The then government made a wise cultural policy decision that the gathered funds will be used in projects common to music and audiovisual authors.

Soon after AVEK was founded, short and documentary films were joined by another recipient of support, media art, whose biggest supporter AVEK is.

AVEK's support can be seen in the rise of documentaries in the 1990s. AVEK became a new financier in addition to the Finnish Film Foundation, and this together with Yle's documentary project set the stage for documentaries.

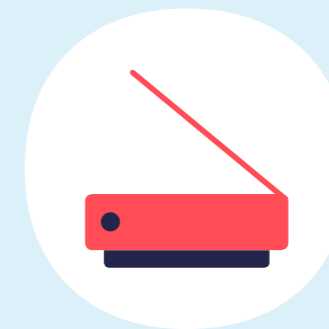
"Then possibly the best documentaries in the world were made in Finland. The quality has not declined since, but now there is more competition," says Juha.

Even in the future, there will be a need for an agile sponsor of culture like AVEK. The new legislation on film financing seems to cement Finnish Film Foundation's role as a backer of film culture, so the need for support to others than feature films is emphasised.

"The Ministry of Education and Culture has luckily understood the nature of the compensation for private copying. It is compensation that belongs to the authors, who decide themselves how it is used. The government's guidance has been quite restrained."

RESEARCH GUIDES MONEY FLOWS

Research has a major impact on the price of licences and remunerations paid to authors and publishers. This is why it is essential to develop research activities continuously.



Research is the only way of getting information about the numbers of books, magazines, and newspapers copied and how the copies are used. Research into the copying of audiovisual works is on the rise, too, as their use is fragmented into different channels, and when the reuse possibilities of audiovisual works grow, it is becoming ever more difficult to get information about their usage.

We need information about how much is copied and how the copies are used as the basis of our pricing. Likewise, research results are used in defining the remunerations distributed to authors.

Kopioisto also studies the copyright policy environment. We investigate, for example, how teachers view copyrights, how well Kopioisto's licences are known, and how university researchers use materials in their work.

This type of information has a direct bearing on what kinds of licencing solutions we develop to make it as easy as possible for our clients to use creative works.

COPIES STILL USED IN SCHOOLS

One of the most important surveys made in 2018 was a study made together with the Finn-

ish National Agency for Education on the copying, sharing, and presenting of printed and Internet materials in comprehensive schools and secondary education.

The survey shows that photocopying has stayed on the same level during recent years and copied materials are distributed to students primarily on paper.

On the other hand, printing from the web and the use of digitised or scanned publications in particular has grown significantly.

The increase in scanning can be explained partly by the fact that the latest survey took better into account the reuse of materials teachers had scanned earlier. According to the survey, this type of archived material accounts for over half of all copies made through scanning.

DEVELOPING METHODS

Measuring the reuse of materials scanned earlier is a good example of how the research function needs to keep developing constantly. The operating environment changes, and we must be able to find the new ways materials are used.

We must develop our research methods further, as we have to compete over the time of the respondents with many other parties doing



We investigate how teachers view copyrights, how well Kopioisto's licences are known, and how university researchers use materials in their work.

surveys. We must be able to gather information from the respondents as comprehensively as possible without burdening them too much.

Changes in methodology may be quite small, but significant in practice. We have, for example, divided a survey questionnaire into two parts to reduce the workload on respondents.

In the spring of 2018, we tried using QR code in reporting survey answers. Respondents could choose between using QR code with their smartphone or paper form when giving information about what they copied. At least this time, the paper form was the more popular method by far among respondents.

To improve our operations, we have built a model enabling the utilisation of older research results in remuneration distribution.

In 2019, we studied the use of copied materials in universities and universities of applied sciences. In our experience, the use of digital copies is more common on higher education than anywhere else. We will also continue looking into copying in comprehensive schools and secondary education – our goal is to gather more information about the contents of copies in support of remuneration distribution. ●

KOPIRAITILA TEACHES ABOUT COPYRIGHTS

Learning copyright topics can be made fun using games. Kopiraittila (Copyrightsville) website, for all school levels, has grown quickly.

In 2014, teaching copyright topics was added to the Finnish curriculum. However, Kopiosto's study showed that teachers did not feel they knew copyright topics well enough to teach them.

"We wanted to do something new, maybe game-like. This is how the Kopiraittila school was born," says Licensing Manager **Kirsi Salmela**.

Primary schoolchildren go through the topics together with their teacher and then can go to the website to play games on their own. The site also includes tools and tips which make it possible to teach about copyrights as part of any project.

In secondary and higher education and vocational training students can study the topics independently. When the exercises have been made and passed, the student can apply for an open badge in copyrights.

The Kopiraittila school was opened first to primary schoolchildren in the autumn of 2016. At the beginning of 2017, secondary education and vocational and teacher training were included, and in January 2019 the school was made available to higher education students.

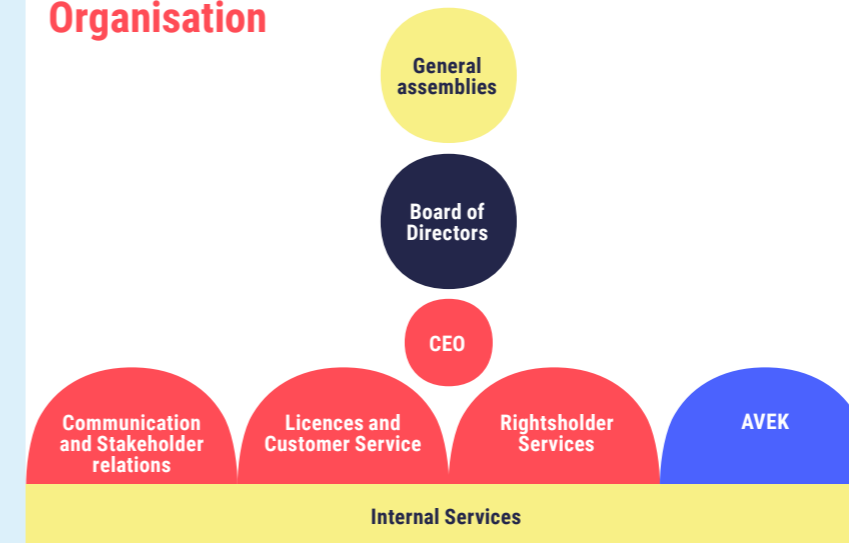
The marketing done over the years, especially in teaching events, can be seen in the growth in the number of users. In 2017, there were about 300 users on schooldays, in early 2019 the number had risen to 600.

"From students, we had had feedback that it is nice to learn by playing games. The colours and cheerfulness of Kopiraittila are thanked the most. Students think there could be even more games," says Salmela.

Kopiraittila has been so successful as a concept that its Swedish version Upphovsrättsskolan was opened in March 2019. ●

ORGANISATION AND MEMBER ORGANISATIONS

Organisation



Member organisations

There were no changes in our membership. We represent over 50,000 Finnish copyright holders through our 45 member organisations. Furthermore, we also represent foreign creative authors on the basis of reciprocal agreements with our foreign sister organisations.

www.kopiosto.fi/organisations

Board of Directors 2018

Chairman of the Board **Heikki Jokinen**, free journalist, The Finnish Comics Professionals
Karola Baran, General Secretary, Trade Union for Theatre and Media Finland
Anna-Liisa Haavikko, journalist, Union of Finnish Radio and TV Journalists
Mikko Hoikka, CEO, Finnish Periodical Publishers' Association
Elina Kuusikko, Managing Director, Union of Finnish Actors
Sakari Laiho, Director, The Finnish Book Publishers Association
Tommi Nilsson, Executive Director, Visual Artists' Copyright Society Kuvasto
Suvi Oinonen, Managing Director, The Union of Finnish Writers
Jukka-Pekka Pietiäinen, Executive Director, The Finnish Association of Non-fiction Writers
Pekka Sipilä, Executive Director, The Finnish Music Publishers Association
Ahti Vänttinen, Chairman, Finnish Musicians' Union

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Sari Ahonen
Senior Vice President, Rightsholder Services
Maria Bregenhøj
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Juha Jukkara
Senior Vice President, Customer Relations
Pirjo Tuunanen
Senior Vice President, Administration
Petri Kauste
Chief Financial Officer from 6th August 2018
Arto Tamminen
Senior Vice President
Jukka-Pekka Timonen
Deputy CEO Legal Affairs and Research Services
Juha Samola
General Secretary, AVEK
Ulla Simonen
Director from 1st March 2019



REMUNERATION EXCEEDED 50 MILLION EUROS

In 2018, remunerations exceeded 50 million euros for the first time in Kopiosto's history. Our revenue grew by 1.6% from the previous year.

We invest remuneration funds according to the investment policy approved by our Board of Directors for the period between collecting licensing revenue and paying out remunerations. In 2018, the returns of our investments and financing were in all 0.2 million euros, when the previous year the corresponding figure was 0.8 million. The decline in returns, compared to 2017, was the result of a sharp correction at the end of 2018 after a long market ascent.

Our total revenue rose to 50.4 million euros, when the previous year it has been 50.2 million.

Total expenses of our operations were 5.6 million euros; this is 2.2% more than previous year.

We paid over 34 million euros as copyright remuneration in 2018.

Revenue and expenses

THOUSAND EUROS	2018	2017	CHANGE %
REVENUE			
Use of audiovisual works	22,287	21,210	5.1 ↑
Photocopying and digital use	19,456	19,513	-0.3 ↓
Compensation for private copying	5,115	5,696	-10.2 ↓
Creative grants to AVEK from the Ministry of Education and Culture	1,704	1,354	25.8 ↑
Public lending right scheme and brokerage services	1,635	1,644	-0.5 ↓
Financial income and returns from investments	185	761	-75.7 ↓
Service revenue	61	69	-11.6 ↓
Revenue from membership and joining fees	3	3	0.0 —
TOTAL REVENUE	50,445	50,249	0.4 ↑
EXPENSES			
Expenses	5,188	5,024	3.3 ↑
Depreciation	385	429	-10.3 ↓
TOTAL EXPENSES	5,573	5,453	2.2 ↑
TRANSFER TO DISTRIBUTABLE FUNDS	44,873	44,797	0.2 ↑

Revenue from licences

THOUSAND EUROS	2018	2017	CHANGE %
PHOTOCOPYING AND DIGITAL USE			
Educational institutions	13,134	14,025	-6.4 ↓
Businesses	2,698	2,223	21.4 ↑
Municipalities	2,242	1,987	12.8 ↑
State administration	671	673	-0.3 ↓
Church administration	430	417	3.1 ↑
Other revenue	281	189	48.7 ↑
TOTAL	19,456	19,513	-0.3 ↓

THOUSAND EUROS	2018	2017	CHANGE %
USE OF AUDIOVISUAL WORKS			
Online recording services	15,210	14,133	7.6 ↑
Educational use and the use of recordings	4,223	4,265	-1.0 ↓
Retransmission	2,346	2,328	0.8 ↑
Remunerations from abroad	508	484	5.0 ↑
TOTAL	22,287	21,210	5.1 ↑

Distributed remuneration and funding

THOUSAND EUROS	2018	2017	CHANGE %
Remunerations for photocopying and digital use to member organisations	14,629	14,554	0.5 ↑
Remuneration for the educational use of audiovisual works and compensation for private copying for creators	5,286	4,582	15.4 ↑
Online recording service remunerations for Gramex, Teosto and Tuotos	5,372	5,367	0.1 ↑
Remuneration for the retransmission of foreign TV channels, paid to sister organisations abroad, producers, and broadcasting companies	2,189	2,580	-15.2 ↓
Public lending right scheme remuneration for visual artists	910	544	67.3 ↑
Remuneration for the copying of foreign works paid to sister organisations abroad	1,617	542	198.3 ↑
Remuneration for the educational use of audiovisual works as grants and rewards through the KOURA educational fund	442	411	7.5 ↑
Remuneration for the use of the Elektra service for the authors and publishers of scholarly articles	45	43	4.7 ↑
Funding awarded by AVEK from the compensation for private copying and from creative culture funds	3,824	3,359	13.8 ↑
TOTAL	34,313	31,983	7.3 ↑



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