

Synchronization & Licensing in Japan

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Moderator

TC ⇒ **Taka Chiyo**

(License Group, Music Services Department, International Division,
Fujipacific Music Inc.)

Panelists

EN ⇒ **Eriko Nitta**

(Creative Manager, International Repertoire/Sync & License,
Sony Music Publishing (Japan) Inc.)

KI ⇒ **Kay Ichikawa**

(Producer, Business Division 2, Dentsu Music and Entertainment Inc.)

KS ⇒ **Koji Seo**

(Manager, Business Development, Avex Music Publishing Inc.)

TC: Thank you for your patience.

So, the next panel we'd like to talk about is "Synchronization & Licensing in Japan". Thanks for coming. You might have had to skip your lunch meeting on the beach. My name is Taka Chiyo, I am from Fujipacific Music, a publishing company, and also a member of Music Publishers Association of Japan International Committee. From that side, it's Koji Seo from Avex Music Publishing.

KS: Hi, nice to meet you.

TC: And Eriko Nitta from Sony Music Publishing.

EN: Hello, I am Eriko. Great to meet you. Thank you for coming.

TC: We are lucky to have this lady on this panel. It's very rare for you guys to see and hear what she is talking about because she rarely goes overseas to attend this kind of conference. So can you introduce yourself a bit?

KI: Thank you very much. I feel very honored to be here. Thank you.

TC: Okay. Yeah, in this panel we will discuss about the synch market in Japan. So what is the primary synch market? In other words, main synch uses. Some parts are pretty much the same as other territories, but some aspects could be very unique and different from other territories.

So the TV commercials. Maybe today the main topic should be TV commercials only because we do have Kay on this panel. Other types are films, TV and videogames, and games and Pachinko. You guys know about Pachinko?

Male Participant: No.

TC: No? Okay. Eriko, can you explain?

EN: Okay. I am in-charge of synch licensing at Sony Music Publishing, and I am mainly in charge of games and Pachinko licensing. Pachinko is a gambling game which is very unique to Japan. I guess you could say it's kind of like a slot machine in Western gaming, but it has a gambling aspect. I think the market today is as big as ¥29 trillion, which is probably about \$370 billion. So, it's very, very big. About 45 million Japanese people go to play Pachinko every year. It's a pretty lucrative market, and we do license a lot of songs for Pachinko uses.

TC: Should we try to see...

EN: Yeah, let's look at one of the Pachinko uses. I guess it's easier for you to see it than for me to explain it to you.

[Video]

EN: This is called the "reach" scene where the player is about to hit the jackpot and that's where the music gets used.

[Video]

EN: Is that it?

TC: Yes.



EN: Okay. So the music basically gets used when the player is about to hit the jackpot and also when they do hit the jackpot, just like you just saw.

TC: Okay. Let's move on to the next. So in Japanese market, you might hear about how big and how different the domestic and international repertoires are from the previous panel. Japan is the second biggest market in this world, about 85% is domestic Japanese music and 15% is international repertoire. So, Koji, can you talk a little bit about the difference between this domestic and international, especially for sync market? Let's talk about the TV commercials please. It's so different.

KS: Hi, again, this is Koji Seo from Avex Music Publishing. I am in-charge of music publishing



development, exploitation model. I am pitching demo songs to artists and also bring our songs for use in games, Pachinko etcetera. Before I explain the difference between Japanese repertoire and international, I need to explain the general thought towards commercials in Japan. It's a little bit different from the one in Europe and one in US. For example, our local actors and actresses appearing in commercials gives a good impression. Of course, it depends on which company's commercials they are appearing in, but in most cases they leave a good impression. It's one example but yearly commercial film monitoring company announces who is the most appeared female on CF. She is crowned as the

"commercial queen" of that year. The commercial film is very, very strong promotion tool for Japanese market. Most companies want to use a popular icon for their commercials. So, please understand this as one of a basic facts.

Usually, people want to use Japanese domestic songs in their commercials. There are some reasons. Number one reason is local music can be used gratis, not all but newer songs can be used for free as promotional purposes. But there is a condition that the use must be within a year from the release. Clients want to use domestic songs to reduce the budget, so maybe you can understand why many Japanese songs are used for commercials. The second reason-one-stop model is very important. In Japan, the system is a bit different, but we have delegate publisher, representative publisher and the representative publisher can...

EN: Control the license.

KS: Yeah, can control the license for everything. So, we don't need to ask all publishers and all songwriters about when we want to use the song. We need to ask only one publisher who is representative publisher to get the license for that. It's a big difference between the international and Japanese domestic market.

TC: Yes, that's the reason why in Japan we sign on a song by song basis not having exclusive writer deal with songwriters. So, compared to this big domestic unique system, can you talk a little bit about international repertoire, Kay?

KI: Before I start, being a producer from 100% subsidiary of Dentsu, I can only talk about commercials created by Dentsu. I don't know the situations with other agencies in Japan, but Dentsu being the largest advertising agency in Japan, I hope you can get some ideas about commercials in Japan. On top of that, there are five creative divisions within Dentsu, and I am in-charge of the fifth division. The division 5 on its own in year of 2012, that's last year, alone created more than 100 commercial films and all of them were accompanied by music. So, I am talking about lots of commercials and music. As an example of what I do daily, I brought a brand new commercial I obtained copyrights sync license. Let's have a look at the commercial please.



TC: Sure. Here we go.

[Video]

KI: We only started broadcasting this commercial last week and we've been receiving some lovely comments on Twitter and Facebook. It sounds just perfect with the commercial film, and the client is very, very happy with it. The client had to pay a handsome amount of money for the rights clearance, both the recording and the copyright, but they really insisted on using this particular song. Why didn't they use a domestic song if they could use it for free? That's what I get asked very often why our clients choose to pay such a big...

TC: Expensive.

KI: ... yeah, expensive license fees. The local tie-ins are new songs. They are brand new songs unregistered, songs that are never heard by anybody. Most of the clients want something famous, something ear-catching. I am sure some of you - well, most of you during the commercial break you go to the bathroom or you go back to your homework or go to the fridge and grab a beer or whatever. But when your all-time favorite song is played on TV, you actually turn around and watch the commercial. That's exactly what we want you to do. For the new, tied-in songs, they sometimes lack in that power. Our clients actually choose to pay a lot of money for those famous songs only to make you turn around and look at the commercials.

TC: We should provide some examples?

KI: Yes, please. Here's another nice example.

TC: And also, what about to play the other commercial by a fashion brand?

KI: Oh, yeah, sure.

TC: The tie-in.

KI: Just to show you the tie-in example.

TC: Okay. The first one is a fashion brand's commercial.

KI: It's a brand which is very popular among teenagers.

[Video]

TC: Only 15 seconds.

KI: Yeah, the chorus part of this song was custom-made for this commercial. It's very catchy and the songwriter wrote the rest of the song and made it to a full song. She released a single CD which sold I don't know how many copies, but it became her number one selling single of her career so far. This commercial campaign has been very, very successful primarily because the artist is very popular at the moment. And with the artist's appearance and song put together, it's attracted a lot of attention from the consumers, not only the targeted consumers, i.e., teenagers but like everybody in Japan.

TC: Let's move to another one.

KI: Yes, please. It's a mobile phone commercial.

[Audio]

KI: Yes, it's a very nice commercial I think. Lot of people are talking about this commercial on Twitter and Facebook. It is a very successful commercial campaign.

TC: Okay. So, maybe we should move to films.

Eriko can you talk about films; the differences between local and international repertoire.

EN: Right. Basically in films, a lot of local repertoire can also be used as a tie-in. This is true for international movies as well – if it's a Hollywood film or films made outside Japan and imported to Japan, the ending theme or maybe even the trailer can be replaced with a local repertoire for promotion and will be used for free. That just shows you how strong local repertoire usage is in Japan - I worked on this film license a couple of years ago using an international repertoire. The song has such a strong presence in the film, having a profound

meaning in the underlying theme of the plot, and using that song was indispensable. In those cases, international repertoire will get licensed, but for a local film, I would say it's usually not that easy. But, even if it's quite tough, it still happens.

TC: So, we should play the trailer?

EN: Oh, yeah, maybe we can play the trailer just for reference.

TC: Okay.

[Video]

EN: I just want to tell you that Japanese films have very little budget compared to Hollywood films, maybe about one-tenth. So even if your music does get licensed in a film in Japan, you wouldn't get as much money as you'd get for a usage in Hollywood films.



TC: Okay. Thank you. So, next one is games and Pachinko. Eriko, again.

EN: Right. For games and Pachinko, it usually does generate a fee even for local repertoire. Especially if it's a dance-related game or a music/lyric related game, you need to know the choreography and the music itself, so there's really no point in using unknown songs. The newer songs may get licensed for a lower fee, but most of the times clients do pay. They usually like to license a lot of the well-known songs where everyone can sing along or dance to. Licensing songs for games or Pachinko can generate a lot of money depending on how many units are manufactured.

TC: So, next one is TV and videograms, maybe I should talk about this because I am working for the broadcast related publishing company. So, differences between local and international repertoire for TV and videograms are - mainly the big difference between Japan and other countries is for TV usages, it's covered by a blanket license between the broadcasting TV stations and our copyright society, JASRAC. So in other words, on TV people can use any songs as it's already covered by the blanket license. But for international repertoire, when the TV program is going to be released as a DVD, the use needs to be approved by rights holders and the client needs to pay a relevant synch fee.

For domestic copyrights, based on the JASRAC statutory rate, it's so cheap compared to other territories. Even if we place some international songs on a TV drama, when the TV drama is going to be released as a DVD, sometimes the song is replaced by other local songs due to that

kind of regulation. So, we always need to make sure that the DVD sync fee is cleared before the TV drama starts. I can show you one example which was on prime time.

[Video]

TC: So, let's move on to the next topic. This is a more important topic for you. How do you acquire sync in Japan? How can international repertoire compete with local free songs? So, Kay?

KI: One of the reasons why many clients choose to use Japanese songs is because Japanese songs are sung in Japanese, of course. If the lyrics coincide with the commercial message that the clients want to deliver to the consumers, that's a perfect matchmaking. But if not, we can perhaps alter some parts of the Japanese lyrics or we can have the custom-made lyrics with the existing songs, but it's easier for Japanese song to sort of modify to fit into what we want to do, but it's harder to relate English lyrics with the commercial message that we want to deliver and that's the main disadvantage of the English songs. In order to make it easier for us, we sometimes take the famous music and have a copywriter write the original lyrics which is full of commercial messages and stick it with the music that we want. That kind of modification can only be possible if the original rights holder is okay about it. It is a very tricky process, but it's actually preferred by many clients. Can we see one of the examples?

[Video]

KI: See, what I mean. Should we have another example?

TC: Sure, if you like.

KI: Another example is not actually made by Dentsu.

EN: This is a fashion brand's commercial.

[Video]

KI: And another method of localization is to re-record the international song by Japanese singer – famous Japanese singer. So by doing that, you are combining the famous melody with familiar voice. Can we have the example of this, the re-recording by familiar voice?

[Video]

KI: So having your repertoire covered by a Japanese artist is a worthwhile attempt to broaden the horizon in Japan, but having said that some clients still insist using the master recording for their commercial because it sounds authentic. Obtaining the license for master recording license can be quite pricy as well, probably sometimes even more expensive than the copyright license. But some clients still insist using the master recording, I might be wrong in thinking but it's almost regarded as the deposit for the successful commercial campaign. It's still going on quite strongly.

TC: So, adaptation and localization is very important for TV commercials. Any particular music styles preferring in TV commercials for international repertoire in Japan?

KI: Famous music. International standard songs are very, very popular. Clients are really looking for something to make you turn around even if you are not actually watching TV. Even if the TV is played on the background, you can spot which commercial it is by just listening to the music.

EN: I just think a lot of the producers and the people who have the right to make decisions are actually in their 40s or maybe 50s.

KI: Yeah, the older generation.

EN: And the older generation people tend to have this adoration for Western culture. They like a lot of the big standard songs. But maybe if you bring something like - I don't know - some of the newer international stuff, the older people won't know it. So when you present it to them, it just doesn't click. If it doesn't click with the people who have all the say, it doesn't end up getting used. I think it's really all about the 80s, 70s, 60s. Maybe these days it's moved on to the 90s because a lot of the new generation of producers are starting to climb up the ladder, but I think we've finally reached the 90s.

TC: Finally.

EN: Yeah, finally I think in terms of international repertoire.

TC: Actually who decides which song is going to be used for TV commercials? It's very tricky.

KI: It's always almost impossible to tell who makes the final decision. The reason for that is in many cases a large group of people is summoned for every single executive decision and you just can't tell who has the ultimate authority for the final decision. It's a bizarre situation. Once the final decision is made and announced to us - to the advertising agency, you just don't know who and how the decision was made and it's very difficult to make presentation if we don't know their taste, so that's another reason why we present famous music. Famous songs win the majority rule.

TC: So, next question. Are there any music supervisors in Japan? It looks you might be a supervisor?

KI: You could perhaps say that. One of the functions of Dentsu Music and Entertainment is music supervision, but I have never met anybody who carries that title in Japan. The process of selecting music for our client is a very complicated process. The very first step is to have a creative meeting with the planner who actually draws the storyboard of the commercial and a

film director who actually directs the film. We make a list of songs which we believe is suitable for the commercial, and we present the songs to our clients. A couple of days or a couple of weeks sometimes or even longer clients come back to us with their own wish list. And by that time, the list that we presented might be shorter or even longer with their own selection. Sometimes, it just gets totally thrown out of the window and we have to start everything from scratch. But in any cases, I call up the local sub-publishers who have the catalog and ask them about the price range and availability and all the terms and conditions about the song. With that information, we go back to our clients and make the secondary presentation and they pick and choose. It's all put in the black box. When the result comes out, one song is chosen and we get the license for the music and the recording if there is a requirement. In Japan as far as I know there is no one individual who can actually manage the whole music selection process. I have never done that myself. A lot people are involved in the whole process.

TC: Right. I am getting questions always from people from overseas on how to get contact with the music supervisors in Japan, and I'm always saying there is no music supervisor in Japan, but sometime the publisher is acting like supervisors like her, like us. So, how can they submit songs to get sync deals like TV commercials or any particular advice or...

EN: Find a good sub-publisher.

KI: Yeah, definitely.

TC: Is it possible for them to send songs directly to like you or the advertisement companies?

KI: Of course you can. We can only put it on the table because we are not the decision makers. Our clients make the final decision. We can always make recommendations to our clients and maybe we can give the music to the film director. If the film director has the power over client, if the client has very strong trust to the director, maybe they choose the music, the film director has chosen. I personally think it's a much better procedure.

TC: Right. We need to finish up now. It's maybe too short to explain sync market in Japan in 60 minutes. You might have so many questions actually, but we don't have enough time to do the Q&A. So, we are going to move to Japan Stand for a while after this. So, please come to Japan Stand for questions. We will be there. Thanks for listening and see you later.

END



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