2022. 7

MUSIC PUBLISHERS ASSOCIATION OF JAPAN

Guide to New Copyright Agreement Forms (FCA/MPA Forms) for Publishers and Songwriters

Ⅰ. Differences among the forms

Standard agreement forms are in two types – A-type and B-type. Each type has four versions, which makes eight kinds totally. Differences are outlined as follows:

• Publishers choose A-type or B-type according to number of the Songwriter(s) covered under the agreement.

A-type is for an agreement covering a single Songwriter's portion only. If the Songwriters are two or more, the same number of the agreement (A-type) as the Songwriters has to be prepared.

B-type is for an agreement with all the Songwriters of a work. (The form has a space to show four to five Songwriters at maximum.) This form can be used only when all the writers agree to the same terms and conditions, except each one's portion (ownership) sharing in the work, which may vary writer to writer under the paragraph 2 of Article 10.

B-type forms are meant for an agreement to cover a work as a whole, i.e. music and lyrics together. Therefore, in the case terms and conditions are not totally equal among all the relevant writers, or if number of the relevant writers is too many to be included in the form, then Publishers are requested to use an A-type form with each relevant writer. In case number of the writer is one (i.e. both music and lyrics are written by a single Songwriter, or in case of an instrumental work, composed by a single Songwriter), either A or B-type may be used.

• The agreement forms of A and B-types has 4 versions each, which are different from each other according to how the copyright is managed (as provided for in the Article 6 of the agreement forms).

Each version is used when;

[Version 1] All the 13 categories of rights are entrusted to one copyright management organization (hereafter referred to as "organization").

[Version 2] All the 13 categories are entrusted to two or more organizations.

[Version 3] Some categories are managed by the Publisher itself, and the rest are entrusted to one organization.

[Version 4] Some categories are managed by the Publisher itself, and the rest are entrusted to two or more organizations.

Ⅱ. Article-by-article explanation

<Notes>

- Each description applies to all the four versions in A and B-types of the form

unless otherwise indicated.
- Singular nouns include plural.

Preamble
- "Title": The title of the copyrighted work covered under the agreement.
- "Author/Composer": Mark whichever applicable. In the case of a support lyric writer, add a term "supplementary" to "Author." In the case of co-writing of either music or lyrics, it is suggested to add "co-" to either "Author" or "Composer" where applicable.
- "Professional Name": The Songwriter's professional name as published with the work.
- "Real Name": The Songwriter's real name.
- "Copyright Holder": The Copyright Holder at the time of entering into this agreement. Copyright to a musical work (i.e. composition) originally belongs to the Songwriter. There are cases where the copyright was transferred, as the rights were inherited to heir, or assigned to a third party.
- "甲": Refers to the Copyright Holder.
- "乙": Refers to the Publisher.
- "Covered Work": Refers to the work as a whole, i.e. lyrics and music together (or music only in the case of an instrumental work).
- "Covered Portion of the Work" (A-type only): The portion of the work created by the Songwriter that falls under the agreement. If the agreement is with the author, it is "lyrics," and if with the composer, it is "music".
- "Covered Copyright": (A-type only): The copyright to the Covered Portion of the Work.

Article 1 (Purpose)
This Article states that the agreement is made for the purpose that "the Publisher will administer the copyright in order to exploit/promote the work" in the form of "assignment of the copyright."

In the A-type forms, the Copyright Holder's interest in the Covered Copyright will be shown in the blank in percentages or in fractions. It will show "100% (or 12/12)" if the agreement covers the whole work, i.e. both music and lyrics, "50% (or 6/12)" if either music or lyrics is covered (for instrumental works, music would compose 100% or 12/12), and "25% (or 3/12)" if the agreement is with only one of the two authors.

If the agreements are made with all the writers of the lyrics (or the music), and if the terms and conditions are the same, the agreements with all those writers can be made in a single form (A-type). In that case, the portion should be indicated as 50% or 6/12, the total interests of all the writers of the lyrics (or the music). Splits among those writers can be stated under the Additional Clause Article. If all the writers of the work (both music and lyrics) enter into the agreements under the same terms and conditions, the B-type form can be used.

Article 2 (Warranty)
The Copyright Holder warrants the followings to the Publisher:

(a) The Covered Work (in this guide, always including the "Covered Portion of the Work" in B-type forms) is the original creation of the Songwriter.
(b) The Copyright Holder is the rightful holder of the Copyright and has the right to enter into this agreement in every aspect.
(c) With respect to the Covered Copyright (in this guide, always including the "Copyright to the Covered Portion of the Work" in B-type forms), there are, and will be, no claims from any third party, which are disadvantageous to the

Publisher's interest.
(d) If any such claim by a third party is received, the Copyright Holder is liable to deal with it, and holds the Publisher harmless and free from any damages.

Article 3 (Territory and Term)
Clause (1) sets out that the Copyright is assigned for the world including Japan.

Clause (2) sets out the term (duration) of the assignment, when it starts and when it expires. Please fill in both blank spaces with the commencement and termination date of the Agreement.
The commencement may simply be a date. If the work is first released as a record, contracting parties are suggested to start the agreement a little earlier than the release date of the record. If the commencement date is the same as the release date, some early royalties cannot be paid to the Publisher, or may not be collected (for example, initial shipment or promotion or DJ copies shipped from the factory prior to the release date). It does not have to be unnecessarily too early, considering the desired length of the agreement. Commonly, two to four weeks prior to the release date is sufficient.

Termination date may be expressed as (a) a date, (b) number of years from the commencement date, (c) duration of copyright, or (d) number of years from the initial release date. In the case of (d), which is often seen in recording agreements, while parties do not have to worry about the expiration being too soon, the actual expiry date is unclear. Particularly, if the scheduled release was cancelled, it arises a question whether or not and when the agreement was effectuated. Therefore, an expression as (d) is not desirable. Parties can show an exact date certain years after the scheduled release date. In the case of (c), please avoid using an expression, "term of protection of copyright." To mean "until the copyright term expires," the correct expression is "duration of copyright" or "term of protection of copyrighted works."

If parties use B-type forms, and the agreement covers a work by multiple Songwriters for the duration of copyright, it should indicate "for the respective durations of the copyrights to the Covered Work." The terms of copyright of the lyrics and music are each different (except when lyrics and music are co-written together, in which case the copyright term expires simultaneously). With the word "respective," it makes clear that, once one of the Songwriter's works enters into the public domain, his/her copyright no longer earns any royalties, while the other portion of the work still earns royalties.

(3) This paragraph sets out an automatic extension of the term. It applies to all cases where "the termination date of the agreement is definite." In other words, "the agreement is for a limited term." So, this does not apply to agreements for the duration of copyright. There is a possibility, however, even if the term was not for the duration of copyright, indefinite expression of the expiry date may be deemed as an "unlimited term." In that case, automatic extension does not apply.

The blank here is to show how long the term will be extended (in years). This can be the same term as the original term, or a half of it, etc. Extension can be for a relatively long term if the original term exceeds 10 years. The Songwriter has the right to terminate the agreement when a certain requirement is met under paragraphs 4 and 5 of the Article 20.

Whenever the term is for the "duration of copyright," there is no need to fill in the blank.

Article 4 (Grant of Rights)

(1) Rights granted are set forth as the categories of uses/rights. In particular, certain rights under the Copyright Law (the right to create a secondary work - the Article 27 - and the right of the original writer in such a secondary work when it is used - the Article 28) are expressly set out. The Law (paragraph 2 of the Article 61) provides that "rights to any secondary work are excluded from the rights granted under an agreement, unless such rights are expressly granted in such agreement." The rights listed in this paragraph 4-(1) cover all the rights concerning musical copyrights presently recognized under the Copyright Law, plus any other rights which may be newly recognized during the agreement term. "Any other rights arising from the copyright" means rights to claim compensation such as "remuneration for audio or audiovisual home recording" and "compensation for uses in school books." These rights are granted in addition to those rights pertaining to licenses for reproduction, performances, etc. Assignment of copyrights covers interest in the copyright only, but not moral rights, which cannot be assigned (Article 59 of the Copyright Law).

(2) This provision entitles the Publisher the right to collect royalties earned through practicing the rights granted under the preceding paragraph 4-(1) and sub-publishing the Covered Work to foreign sub-publishers. This paragraph simply sets out the Publisher's right. But, from another viewpoint, we can think it refers to the essence of this agreement. It is that the copyright is assigned to the Publisher for its fundamental business purpose to promote the work, secure uses of the work, collect royalties from users and distribute such royalties to its Songwriters, rather than the Publisher uses the work for itself.

Article 5 (Cooperation between the Parties)

This Article sets out that the Songwriter and Publisher are obliged to cooperate with each other in registering the transfer or reversion of his/her copyright. Publisher's rights to the copyright under this agreement shall not become legally valid against any third party's claim unless the Publisher registers the transfer of the copyright (Article 77 of the Copyright Law). Likewise, on expiration or termination of the agreement, the reversion of the copyright to the Songwriter (see the Article 21 of the agreement) has to be processed accordingly.

Article 6 (Way of copyright management)

(1) This provides for how the copyright will be managed. "Way of management" can be interpreted as "who will issue licenses and who will collect royalties." This has to be fully discussed between the Songwriter and the Publisher. In particular, if the Songwriter is a JASRAC member and the Publisher will not commit certain categories with JASRAC, it is necessary for the Publisher to explain the reason so the Songwriter is convinced. The same applies with an opposite case, the Publisher wants all the categories committed with JASRAC, while the Songwriter does not.

As explained in the above section II, the four different ways of copyright management and corresponding versions of the agreement are as follows:

[Version 1] All the 13 categories of rights are entrusted to one copyright management organization (hereafter referred to as "organization").

[Version 2] All the 13 categories are entrusted to two or more organizations.

[Version 3] Some categories are managed by the Publisher itself, and the rest are entrusted to one organization.

[Version 4] Some categories are managed by the Publisher itself, and the rest are entrusted to two or more organizations.

In addition to the above 4 patterns, it is theoretically possible that the Publisher self-manage all the categories, but in reality it is practically impossible. Therefore, we do not provide any forms for this case. Note that categories are defined in accordance with definitions in JASRAC's "Stipulations for Administration Trust Contract"; however, for the category ③ (prints, etc.) the explanation in parenthesis is added for better understanding by those who use this agreement, including songwriters. The explanation does not change the meaning provided in JASRAC's Stipulations for Administration Trust Contract.

To complete this article 6 in each form:

[Version 1] State the name of the copyright management body in the blank, which the Publisher commits the copyright with.

[Version 2] On the first line, state the categories and the name of the first copyright management body to commit those categories with. On the second line, state the other categories and the name of the second body. If there is the third body, state similarly on the third line.

[Version 3] On the first line, state those categories the Publisher manages copyrights for itself. On the second line, state the other categories and the name of the management body.

[Version 4] On the first line, state those categories the Publisher manages copyrights for itself. On the second line and onward, state similarly as Version 2.

In determining where and in which categories to commit the copyrights, you have to consider the following points:

Copyright management bodies do not necessarily manage all the categories. JASRAC do not accept certain combinations of categories to manage as follows:

- If a Publisher does not commit the category ② (mechanicals) with JASRAC, any of ⑦ to ⑩ (synchronizations) will not be accepted, either.
- As for management in foreign territories, if a Publisher does not commit the categories ① to ④ (performances, mechanicals, rentals and prints) with JASRAC, these categories will not be managed in foreign territories. If the category ② (mechanicals) is committed but ④ (rentals) is not, ② and④ (mechanicals and rentals) will be managed in foreign territories. To the contrary, if the category ④ (rentals) is committed but② (mechanicals) is not, either ② (mechanicals) or ④ (rentals) will not be managed.

However, even if the selection for Japan and the selection for foreign territories are separated and excluded from the "Extent of Trust of Rights" for Japan, it can

be entrusted only for foreign territories, under JASRAC's "Stipulations for Administration Trust Contract".
,
(2) This provision sets out that the parties should discuss and reach mutual agreement to effectuate any change of copyright management body, or management of any new categories.

Article 7 (Use of the copyrights by the Songwriter)
The Songwriter or its successor (the Copyright Holder) can use the copyright if,

(a) the use is for a purpose of promotion of the work,
(b) the use is on a non-profit basis, and
(c) the main user is the Songwriter or its successor himself/herself.

The Publisher should allow the Songwriter or his/her successor for non-profit promotional purposes when he/she wants to. It does not state "free of royalties" because, if the use is in a certain category committed with one of the copyright management bodies, there is possibility that such body will charge royalty pursuant to its regulations.

In the case of JASRAC, under its new "Stipulations for Administration Trust Contract" revised as of January 1, 2020 (formerly known as "Entrust Agreement"), the Copyright Holder may use royalty-free work for a non-commercial purpose under certain conditions (Article 17-1 of the "Stipulations for Administration Trust Contract") as from April 1, 2002.

If the category in question is managed by the Publisher itself, then it is recommended to allow his/her use royalty-free upon agreement of all other interested parties, if any.

Article 8 (Complete Manuscript)
This provision sets out that the Copyright Holder has to supply the Publisher with a complete manuscript, i.e. musical scores and/or lyrics, or its photocopy.

Article 9 (Copyright Credit)
This Article stipulates the copyright credit to be given in publications, etc. It is not the Publishers' obligation to credit copyright. The Publisher can designate how to credit Songwriters' names, ownership and other copyright related information and have users to comply with it.

Article 10 (Royalties)
This Article sets out royalties payable to the Copyright Holder.

(1) When the Covered Work or any portion is used, royalties will be paid to the Copyright Holder accordingly. The expression, "including tax" means "including income tax payable at the source." Consumption tax will have to be paid separately as required under the tax law. No royalties are payable for distribution of free copies of the work or free online distribution of the work by the Publisher for promotional purposes for the work.

Even when either of the lyrics or music is solely used, the writer of the other portion will also be entitled to royalties, but only if both lyrics and music of the work are managed together by a single management body or the Publisher. In the case the lyrics and music are separately managed by different bodies, the author receives royalties when the lyrics is solely used, and the composer receives when the music is solely used.

① Refers to the Publisher's uses of the work for itself.

(i) and (ii): (i) refers to a sheet music of a single work and (ii) refers to a folio, songbook or album containing more than two works. Royalty rate payable for the whole copyright ownership is shown in the blank. Most common rate is 10% of the price regardless of number of the Songwriters. In the case A-type form is used, the Copyright Holder will receive proportional royalties according to its portion (as set out in the Article 1). The prorated rate will apply when two or more copyrighted works appear in the publication (folio, songbook or album).

(iii): This refers to the Publisher's own publications, which do not fall under either (i) or (ii) above. "Designated copyright management body" appearing in versions 3 and 4 forms of both types presently means JASRAC.

(iv): This sets out that the Publisher may directly pay to the Copyright Holder if it uses the copyright for itself in any categories (other than prints) committed with a copyright management body except JASRAC.

(v) in versions 1 and 2: This refers to the Publisher's own uses, which do not fall under any of (i), (ii) or (iii) above, such as in a CD produced by the Publisher, for example.

(v) in versions 3 and 4: This refers to the Publisher's own uses in the categories managed by itself, which do not fall under any of (i), (ii) or (iii) above, such as in a CD produced by the Publisher and if mechanical rights are managed by itself, for example.

(vi) in versions 3 and 4 only: It refers to the Publisher's own uses, which do not fall under any of (i), (ii) or (iii) above, in any categories committed with any copyright management body. (This is same as (v) in versions 1 and 2.) It is treated in the same manner as third parties' uses. That means the Publisher pays royalties to the management body and in turn the body distributes the royalties to the Publisher after its commission. Then the Publisher distributes the Copyright Holder's royalties.

In versions 1 and 2:

② refers to uses by third parties.

(i) The first blank is to show the distribution rate in fraction or percentage. For example, if it shows 8/12 or 6/12, the Copyright Holder is to receive that percentage out of the amount the Publisher receives as the Copyright Holder's portion. In the A-type forms, the "Copyright Holder's share" against the 12/12 ownership in the work is shown in the bracket, which can be reached by the following formula:

Copyright Holder's Portion x Distribution Rate
= Copyright Holder's Share against 100% Ownership

[Example]

Copyright Holder's Portion	x Distribution Rate	=	Copyright Holder's Share/100%
12/12	8/12		8/12
12/12	6/12		6/12
6/12	8/12		4/12
6/12	6/12		3/12
3/12	8/12		2/12
3/12	6/12		3/24

(ii) Distribution rate for foreign royalties is to be shown in the blank here in the same manner as the above sub-paragraph (i).

③ sets out distribution rate in case damages are received. A percentage (or a fraction) is to be shown in the blank similarly to the above ②.

<u>In versions 3 and 4</u>

② refers to uses by third parties in any categories which are committed with a copyright management body. The same concept applies as the above ② in the versions 1 and 2.

Under the Law on Management Business of Copyright and Neighboring Rights, it is possible for those other than JASRAC to conduct management businesses, and as such, operators referred to as "丙" are not limited to JASRAC. However, NexTone, who is one of those operators, currently does not handle the direct distribution of songwriters' shares to the songwriters for performing rights, etc. In order not to give any misleading information that all operators handle direct distribution, we have attempted to make expressions and compositions of this agreement easy to understand for all who use this agreement, including songwriters. As such, the sentence ② ii, which says that regarding copyright royalties for performing rights, etc., 甲 and 乙 shall be able to directly ask 丙 for payment of its shares, has been changed to mean that regarding copyright royalties for performing rights, etc., 甲 and 乙 shall be able to directly ask 丙 for payment of its shares in case 丙 handles direct distribution.

③ refers to uses by third parties in any categories which are managed by the Publisher itself.

(i) The blank is to show the rate in the same manner as the above ②. This also sets out that the Publisher can deduct its commission from the Copyright Holder's royalties for its services in licensing/collecting for uses by third parties. The Publisher needs to show the Copyright Holder a schedule of the commission rates on signing this agreement. If the Publisher would not take any commission, it needs to declare the waiver. The Publisher's commission rates may be one of the key factors for the Copyright Holder to determine whether or not he/she will accept the Publisher's own copyright management. The rate should not exceed the one adopted by the designated copyright management body for that particular category.

(ii) This sets out that the Publisher has the option to license third parties' uses. When it licenses, the same royalty structure will apply as the

designated copyright management body's tariffs. Therefore, even if a third-party user is a parent company of the Publisher, it is not allowed to license at any unreasonably low royalty rate.

④: Same as ② - (ii) in versions 1 and 2.
⑤: Same as ③ in versions 1 and 2.

(2) – A-type: Sets out how to process when there is any change in number of the Songwriters or each Copyright Holder's portion.

(2) – B-type: Sets out how the Copyright Holders' royalties (according to the distribution rates set out in 10-(1) above) will be divided among the Copyright Holders. The Publisher will pay directly to each Copyright Holder his/her appropriate royalty amount according to this provision.

Article 11 (Royalty accounting and payment)
This Article sets out how royalties will be paid to the Copyright Holders. In the first blank, it shows the closing month of each quarterly period for accounting; for example, "March, June, September, December." The second blank is to show the closing date for accounting in each such month; for example, the "last" day, "20th" day, etc. There is no stipulation about who pays the cost for royalty statements delivery or bank charges. Those costs may be paid by the Publisher according to the Article 485 of the Civil Law, which stipulates "the obligor is responsible for the costs of payment."
The 2016 update of the Agreement Form sets forth that royalty statements for the Copyright Holders can be rendered in the form of either ② by e-mail, or ③ by browsing and downloading from Internet services, in addition to the conventional ① in writing. In case the Publisher would like to choose either ② or ③, it is recommended to first consult with the Copyright Holders concerned.

Article 12 (Reference for royalty amount distributed)
This provision allows the Copyright Holder to refer to appropriate copyright management body for the amount it distributed to the Publisher.
This is a provision to respect and support the provisions of Article 21-4 of the JASRAC's "Stipulations for Administration Trust Contract" (only for JASRAC's member Songwriters).
This is not the Publisher's warranty. It is up to each copyright management body's judgement (other than JASRAC) if they will supply the Copyright Holder with the information he/she requests.

Article 13 (Inspection of books)
(1) refers to accounting audit. Audit has to be done within 5 years.
(2) states that the Publisher has to retain its accounting books and records for at least 5 years.

Article 14 (Exploitation of the Covered Works)
This requires the Publisher to positively exploit/promote the Covered Works.

Article 15 (Information about the Publisher's activities)
This requires the Publisher to inform to the Copyright Holder at his/her request how it performs this agreement, including payment of royalties and promotional activities.

Article 16 (Infringement)

(1) This sets out how to proceed with any claim by a third party against the Publisher or the Copyright Holder regarding the Covered Copyright for alleged infringement (in spite of the Copyright Holder's warranty in the Article 2 of this agreement).

(2) This sets out how to proceed with any infringement of the Covered Copyright by a third party.

Article 17 (Assignability)
This restricts assignment of the Covered Copyright by the Publisher to any third party. The Publisher can sublicense the rights to foreign Publishers for a limited territory and term. Also, the Publisher can re-assign the rights in any of the cases below. Otherwise, the Publisher cannot assign or sell the rights in the Covered Copyright to anyone without the Copyright Holder's prior written consent.

a. If the Publisher's business is transferred to any other company.
b. If the Publisher is merged to or acquired by any other company.
c. If the Publisher is divided.

Article 18 (Notice of transfer of the rights)
If any of the above a, b or c applies, the Publisher has to inform the Copyright Holder that the rights in the Covered Copyright being transferred to such other company.

Article 19 (Breach)
(1) refers to the Publisher's breach.
(2) refers to the Copyright Holder's breach.

Article 20 (Termination of the agreement)
(1) sets out that the agreement automatically terminates; if (a) the Publisher is adjudicated bankrupt; or (b) a resolution is passed for dissolution of the Publisher.

(2) sets out that the Copyright Holder has the right to terminate this agreement if the Publisher discontinues its business activities, or its place of business cannot be traced.

(3) sets out the process for the termination mentioned in the preceding sub-paragraph (2).

(4) sets out that the Publisher has to discuss with the Copyright Holder at his/her request as to how the Covered Work may be re-exploited/re-promoted. This applies if the agreement runs longer than 10 years, and when royalties paid to the Copyright Holder has been relatively small for some consecutive periods, no matter whether he/she receives his/her performing fees directly from his/her copyright management body. The Publisher is not obliged to discuss it within the initial 10 years, or a certain number of years since previous discussion for that purpose. That number of years is to be shown in the blank. There is no common practice as yet how long it may be. It has to be shorter than extended term if the automatic extension clause applies. The agreement forms do not show exactly how much is the "relatively small" royalty amount, or how many "consecutive periods" that small payment situation continues before this provision is applicable. Publisher has to have its policy about it, anyway. It is anticipated that the common business practice will be established in the future. Outcome of the discussion has to be recorded in writing.

This and next paragraphs are not applicable to any agreements shorter than 10 years. In that case, blanks can be left unfilled.

(5) If royalties due are still small in spite of the discussion held pursuant to the preceding sub-paragraph, the Copyright Holder and the Publisher can have another discussion to terminate the agreement. Specific minimum amount and period to have such second discussion should be shown in the blanks. The first blank is to show number of years, and the second blank is to show the minimum amount of total royalties the Copyright Holder received from the Publisher and the copyright management body during that period of time.

If the agreement covers multiple songs, the minimum amount should be stated on a per-title basis. It is not only clear, but also useful to avoid terminating any other songs having better earnings. Suitable length of the period may be longer than 1 year and shorter than 5 years. It should also be shorter than the period that was designated in the preceding paragraph (4).

The minimum amount shown here is the total royalties earned during the stated period starting from January 1st following the first discussion. If a long period is designated, the minimum amount may have to be proportionately bigger. The period and minimum amount need to be agreed by the Copyright Holder.

If, at the second discussion, the Publisher shows any specific promotional plan (i.e. a cover recording being planned), the agreement can continue if the Copyright Holder agrees. Outcome of the discussion should be recorded in writing.

Article 21 (Procedure upon expiration or termination of the agreement)
This specifically indicates that all rights in the Covered Copyright will revert to the Copyright Holder upon expiration or termination of the agreement. This article has nothing to do with any agreements for the duration of copyright.

Article 22 (Succession of contractual status)
This reaffirms that all the provisions of this agreement will be binding upon successors in interest of each party.

Article 23 (Notice of succession)
This sets out that the Publisher will not be liable for any non-payment if the successor to the Copyright Holder does not render a written verification of his/her succession along with new banking information.

Article 24 (Change of agreement terms)
This requires both parties to agree in writing by paper or in electronic or magnetic record to change any terms of this agreement. *This is an amendment to address formats such as PDF and other various electronic contract forms offered by businesses offering such services. “Electronic or magnetic record” is defined in Article 31, Section 2 of the Copyright Law as “a record used in computer data processing that is created in an electronic format, magnetic format, or other format that cannot be perceived with the human senses alone.”

Article 25 (Mutual Consultation)
This sets out that any matter, which is not stipulated in the agreement, or any discrepancy in interpreting any provision of the agreement should be consulted each

other for mutually acceptable solution. Outcome of the discussion needs to be recorded in writing.

Article 26 (Relationship with the copyright management body)
This refers to relationship between this agreement and any copyright management agreement whereby either or both parties commit its copyrights with.

Article 27 (Personal Information)
This is a provision added to correspond with a new “Law Concerning Protection of Personal Information” enforced as of April 1, 2005 (2003 law no. 57).

Most music publishers may fall under the category, “Businesses dealing with personal information” as defined in the law. It requires each such business to state for an individual contractor, when it enters into an agreement with him/her, for what purposes it may likely use his/her personal information appearing in their contract or other documents. However, the law also provides that, if, at the time of disclosing the personal information, the purposes for its use are deemed obvious from that business transaction, then the business does not have to make any such statement as long as it uses the information solely for its original business purposes. On the other hand, in case it uses the information in a way beyond its original purposes, it has to obtain his/her prior consent. In order to clarify not to use the information beyond that scope, the provision states “to use the personal information for the purposes set forth in the Article 1 hereof.” It adds that any personal information of the same person obtained through any other transaction can be treated separately according to any other commitment for such other transaction.

“Personal information pertaining to the 甲 (Copyright Holder) and Songwriter” means real and professional names of the Songwriter, a name of the Copyright Holder (including a person in parental authority), or a name of a representative of the Copyright Holder where it is a corporate, Song-title, how the Songwriter is involved in the songwriting (lyrics, music, etc.), addresses and telephone numbers or other contact information, if written in the relevant contract, of the Songwriter and Copyright Holder except in case of a corporate. In addition, banking information of the Songwriter and the Copyright Holder, though may be disclosed separately, is also personal information.

“To use for the purposes set forth in the Article 1 hereof” means handling/using of personal information to carry out business purposes as a music publisher, including promotions, licensing and royalty distribution. A music publisher can provide with personal information to its copyright management organization with whom it commits management of its copyrights, administrative agent, computation services company or such other outsourcing businesses solely for the purposes to carry out its original purposes of the use, and each such organization, agent, company or other businesses can use the information solely for its committed purposes.

Article 28 (Social security and tax number)
This article was added as the Agreement Form was updated in 2016 to meet with the social security and tax number system adopted in Japan and sets forth that any social security and tax number will be used only for the purpose of preparing and submitting royalty payment records to tax offices.

Article 29 (Governing law and competent jurisdiction)
This refers to disputes relating to this agreement. Normally, the competent jurisdiction

is the district court in the city where the Publisher’s principal office is located.

Article 30 (Additional Provision)
Articles to comply with the "Anti Social Forces" which are included in the contracts and also entrust agreements of various companies and organizations involved in the music business, such as record companies, broadcasters, and such copyright management organizations as JASRAC and NexTone are added.

This is for an additional provision, if any. If there is nothing to be included here, it is suggested to write some line like “This Article has no provision” or strike out the space.

Names of the parties, signatures and copies
There is a blank in B-type forms to show the number of copies prepared. It is the number of the Copyright Holders plus one copy for the Publisher. In addition, an amendment was made to address formats such as PDF and other various electronic contract forms offered by businesses offering such services, which says that in witness whereof, 甲 and 乙 have executed the agreement in duplicate by placing their respective signatures and seals thereon, or by producing electronic or magnetic records thereof and placing electronic or magnetic measures certifying the agreement between 甲 and 乙, and each party shall keep one original. “Electronic or magnetic record” is defined in Article 31, Section 2 of the Copyright Law as “a record used in computer data processing that is created in an electronic format, magnetic format, or other format that cannot be perceived with the human senses alone.” A typical example of “electronic or magnetic measures certifying the agreement between 甲 and 乙” would be an electronic signature but that is not the only acceptable method, and there would be no problems if it is an electronic or magnetic method to certify the agreement between both parties.

Date
Effective date is shown here. The effective date is normally the same day as the commencement.

Signature/Seal
This part will show the names and addresses of the Copyright Holder(s) and the Publisher, respectively, and should be sealed (or signed). If the Copyright Holder is an individual, these should be written out by him/herself. If the Copyright Holder is a minor, seals/signatures of his/her parents are required. In addition, amendments have been made to address formats such as PDF and other various electronic contract forms offered by businesses offering such services. “Electronic or magnetic record” is defined in Article 31, Section 2 of the Copyright Law as “a record used in computer data processing that is created in an electronic format, magnetic format, or other format that cannot be perceived with the human senses alone.”

Certification by the Songwriter(s)
If the Copyright Holder is not the Songwriter or his/her heir, the Songwriter him/herself certifies that the Copyright Holder is in fact the holder of the Covered Copyright. If the assignment between the Songwriter and the Copyright Holder becomes invalid, or terminates during the term of this agreement, the Songwriter will become the party to this agreement succeeding the Copyright Holder. This certification enables the Publisher to take necessary legal process in case of any infringement of the Covered Copyright. It is imperative that the Songwriter signs him/herself. If the Songwriter is a Japanese nationality, it is better to be sealed with his/her registered seal along with

the registry office's certificate. In case the Songwriter is a minor, signatures/seals of the Songwriter's parents are required, too.

Ⅲ Remarks on conducting music publishing business based on this Agreement Form

1. Remarks on the "Copyright Agreement Form"

The "Copyright Agreement Form" has been created as an FCA/MPA form following various discussions between Japan Federation of Authors and Composers Associations (FCA) and Music Publishers Association of Japan (MPA).

We ask you to consider the fact that each provision was created in a format which thoroughly values the relationship between songwriters and music publishers based on discussions and agreements of both organizations as mentioned above, and as such, not to allow the applicant or any third party to reproduce or alter this "Copyright Agreement Form" without permission. Neither is resale and transfer to third parties, nor making the form available on the Internet allowed.

The blank spaces throughout the agreement should be filled in as necessary based on individual agreement between the parties involved.

2. Royalty accounting/payment for works under A-type agreement forms

a. Where the Publisher is granted both lyrics and music of the work, the formula for royalty amount payable is as follows in those categories that are entrusted with the same copyright management body, or managed by the Publisher itself:

Amount Payable to One Copyright Holder =
Net Receipt x The Copyright Holder's Portion x Distribution Rate

b. Where the Publisher is solely granted either lyrics or music:

Amount Payable = Net Receipt x Distribution Rate
(The Publisher receives royalties covering that Copyright Holder's portion only.)

c. Where the Publisher is granted both lyrics and music, with different ways of management depending on categories:

Author's Royalties =
Net Receipt Covering Lyrics x Author's Distribution Rate

Composer's Royalties =
Net Receipt Covering Music x Composer's Distribution Rate
(Royalties have to be computed separately for lyrics and music.)

3. Remarks on co-publishing agreements

Co-publishing agreements have to stipulate the following matters (where the representative Publisher makes this Copyright Agreement with the Copyright Holder):

a. How the copyright is managed. (If the way of management has not yet been agreed between the representative Publisher and the Songwriter at the time of making the co-publishing agreement, the representative Publisher and the Songwriter must discuss to determine it as soon as possible. Once it is determined, it must be notified to the co-publisher.

b. Whether or not the representative Publisher is required to pay any royalties to the co-publisher, if the representative Publisher uses the copyright for itself in one of the categories managed by itself. If the co-publisher is to be paid, terms of the payment should also be set out. Full royalties have to be paid to the Copyright Holder, in any case.

Ⅳ. Additional explanation on filling out Article 6

Article 6 of this agreement sets out how the copyright is managed. There is a blank space to show the categories with corresponding usage and the name of the copyright management body that the Publisher entrusts/commits the copyright with. Categories should be shown with care, as copyright management bodies have respective rules. Some bodies handle certain categories only. Also, there are cases where certain categories are managed in combination. A-1 and B-1 forms are for those who commit all the right categories with a single copyright management body. Therefore, you do not need to show specific categories. With other forms, however, caution should be exercised regarding the following categories:

② Mechanical rights
⑦ Synchronization – films
⑧ Synchronization – videograms
⑨ Synchronization – game softwares
⑩ Synchronization – commercials

Since categories ⑦ to ⑩ are included in category ②, there is no need to indicate them as far as they are managed in the same way as ②. In other words, even if any of the categories ⑦ to ⑩ are not indicated, these categories will be deemed as managed in the same way as ②. Please do note, however, that filling in categories ⑦ to ⑩ in the same blank space as category ② will not be considered as an error.

The phrase “all other categories” as used in the A-3 and B-3 forms should be interpreted as follows:

1. In case the Publisher manages certain categories by itself and entrusts the remaining categories to JASRAC:

- JASRAC manages categories ⑦ to ⑩ on condition that category ② is entrusted with it.
- The first blank is to show those categories managed by the Publisher. If the Publisher manages ②, it has to manage categories ⑦ to ⑩ too, as JASRAC will not accept them separate from ②. (As far as ② appears in the first blank, it will be deemed ⑦ to ⑩ are also included.) “All other categories” means the categories other than ② and ⑦ to ⑩.
- It is possible that the Publisher manages part of ⑦ to ⑩ by itself, and entrusts ② and the remainder of ⑦ to ⑩ to JASRAC. In this case, part of ⑦ to ⑩ managed by the Publisher should appear in the first blank, and “all other categories” means all the remaining categories.
- The Publisher cannot manage ② category and part of categories ⑦ to ⑩ by itself and entrusts the remainder of ⑦ to ⑩ with JASRAC, as JASRAC does not accept any of ⑦ to ⑩ without having ②.

2. In case the Publisher manages certain categories by itself and entrusts the remaining categories to a copyright management organization which has no restrictions as JASRAC:

- All the categories managed by the Publisher for itself have to be shown in the first blank. “All other categories” means literally.

<END>