

Article 7. VIDEOGRAM RECORDINGS

The fee for fixing a work on a DVD, Blu-ray disk or any other recording medium with a sequence of images or reproducing such fixed work and images (hereinafter referred to as “videograms”), excluding cases where Articles 3, 15 or 16 applies, shall be the sum of an amount calculated as follows based on the purpose of reproduction and the type of videogram and an amount equivalent to consumption tax.

1. Commercial reproduction

(1) Reproduction for sale at a market

The fee for the use of videograms of music shall be the sum of the following basic fee (i.e. fee associated with fixing of works; hereinafter the same) and the reproduction fee (i.e. fee based on the number of reproductions; hereinafter the same).

(A) Videograms of music

(a) Basic fee:

¥800 per minute or part thereof of the playing time of a work, regardless of the number of copies made.

(b) Reproduction fee:

The calculated sum of the below-mentioned formula, per minute or part thereof of the playing time of a work on a videogram, or ¥3, whichever is greater.

$$\begin{array}{c} \text{Retail selling price of a} \\ \text{videogram} \\ \text{(not inclusive of} \\ \text{the consumption tax)} \end{array} \times \frac{5}{100} \times \frac{1}{\text{Total playing time}} \times \frac{\text{Total playing time of works}}{\text{Cumulative playing time of works}}$$

(B) Videograms of theatrical films

(a) Basic fee:

¥800 per minute or part thereof of the playing time of a work, regardless of the number of copies made.

(b) Reproduction fee:

The reproduction fee for each videogram shall be calculated by multiplying the retail selling price of the relevant videogram (not including the consumption tax) by 1.75%.

(C) Videograms of dramas and animations

(a) Basic fee:

¥800 per minute or part thereof of the playing time of a work, regardless of the number of copies made.

(b) Reproduction fee:

- a. If the total playing time of a work accounts for 60% of the total playing time of a videogram, the reproduction fee shall be the calculated sum of the below-mentioned formula, per minute or part thereof of the playing time of a work on a videogram, or ¥1.8, whichever is greater.

$$\begin{array}{l} \text{Retail selling price of a} \\ \text{videogram} \\ \text{(not inclusive of} \\ \text{the consumption tax)} \end{array} \times \frac{4.5}{100} \times \frac{1}{\text{Total playing time}} \times \frac{\text{Total playing time of works}}{\text{Cumulative playing time of works}}$$

- b. If the total playing time of a work accounts for more than 60% of the total playing time of a videogram, the reproduction fee shall be the sum set forth in (D)(b).

(D) Videograms other than the above

(a) Basic fee:

¥800 per minute or part thereof of the playing time of a work, regardless of the number of copies made.

(b) Reproduction fee:

The calculated sum of the below-mentioned formula, per minute or part thereof of the playing time of a work on a videogram, or ¥2, whichever is greater.

$$\begin{array}{l} \text{Retail selling price of a} \\ \text{videogram} \\ \text{(not inclusive of} \\ \text{the consumption tax)} \end{array} \times \frac{4.5}{100} \times \frac{1}{\text{Total playing time}} \times \frac{\text{Total playing time of works}}{\text{Cumulative playing time of works}}$$

(2) Reproduction for production or recording of a bridal, etc.

(A) If an annual blanket licensing agreement is executed:

(a) Up to 5 musical works played

The fee for the use shall be as stated below if the number of copies of videograms (with the same contents recorded, regardless of type of recording media) is no more than 3.

Number of copies	Number of musical works played	Fee for the use
Up to 3	1	¥2,000
	2	¥4,000
	3 to 5	¥5,000

If the number of copies is more than 3, the same amount shall be added to the fee for the use for each additional 3 copies.

(b) More than 5 musical works played

The fee for the use shall be as stated below if the number of copies of videograms (with the same contents recorded, regardless of type of recording media) is no more than 3.

a. If there is no surplus after dividing the number of musical works played by 5:

The fee for the use shall be ¥5,000 per 5 works.

b. If there is a surplus after dividing the number of musical works played by 5:

The fee for the use shall be the sum of the amount obtained by multiplying the quotient obtained by dividing the number of musical works played by 5 (rounded down to the nearest integral number) by ¥5,000 by the following amount according to the number of surplus.

Number of copies	Number of surplus	Fee for the use
Up to 3	1	¥2,000
	2	¥4,000
	3 to 4	¥5,000

If the number of copies is more than 3, the same amount shall be added to the fee for the use for each additional 3 copies.

(B) In cases other than (A)

The fee for the use shall be ¥4,000 per work if the number of copies of videograms (with the same contents recorded, regardless of type of recording media) is no more than 3.

If the number of copies is more than 3, the same amount shall be added to the fee for the use for each additional 3 copies.

(3) Reproduction for purposes other than (1) and (2)

The fee for the use shall be the sum of the following basic fee and the reproduction fee.

(A) Videograms of music

(a) Basic fee:

¥800 per minute or part thereof of the playing time of a work, regardless of the number of copies made.

(b) Reproduction fee:

The reproduction fee shall be the following amount per minute or part thereof of the playing time of a work according to the number of copies made.

Up to 50 copies: ¥350

More than 50 copies: ¥350 plus ¥7 for each copy exceeding 50

(B) Videograms other than videograms of music

(a) Basic fee:

¥800 per minute or part thereof of the playing time of a work, regardless of the number of copies made.

(b) Reproduction fee:

The reproduction fee shall be the following amount per minute or part thereof of the playing time of a work according to the number of copies made.

Up to 50 copies: ¥220

More than 50 copies: ¥220 plus ¥4.4 for each copy exceeding 50

2. Non-commercial reproduction

(1) Reproduction for production or recording of a bridal, etc.

The fee for the use shall be ¥2,000 per work if the number of copies of videograms (with the same contents recorded, regardless of type of recording media) is no more than 3.

If the number of copies is more than 3, the same amount shall be added to the fee for the use for each additional 3 copies.

(2) Reproduction for purposes other than (1)

The fee shall be a sum obtained by multiplying the amount set forth in 1(3)(B) by 50%.

Notes for Videogram Recordings

Term definitions

(i) In this Article, the terms shall be defined as follows.

(a) Commercial reproduction

“Commercial reproduction” refers reproduction performed for a charge by persons whose purpose is making a profit or reproduction performed by persons other than such profit-making person (not including the case in which an amount equal to actual costs is charged) for the purpose of distributing copies to a third party.

(b) Non-commercial reproduction

This means reproduction other than the reproduction defined in (a) such as reproduction performed for non-commercial purposes by educational institutions, non-commercial entities or private persons in order to distribute copies without charge.

(c) Videograms of music

“Videograms of music” refers to the following videograms.

- a. Videograms mainly consisting of images of musical performance or singing such as concerts and music events
- b. Videograms in which music suitable for scenes in opera, musical, ballet, etc. is used and music is used as a main subject (excluding those included in (d).)
- c. Videograms made mainly to support karaoke singing or musical performance
- d. Other videograms made mainly to let people listen to music

(d) Videograms of theatrical films

“Videograms of theatrical films” refers to the reproduction of theatrical films (“reproduction of theatrical films” refers to a fixed series of moving images, regardless of the recording media, for the purpose of public projection at theaters and other places) (excluding those defined in (c) a. c. or d.).

(e) Videograms of dramas and animations

“Videograms of dramas and animations” refers to videograms in which actors and characters play a role in a story such as television dramas, animations and theatrical performances (excluding those defined in (c) or (d).)

(f) Other videograms

“Other videograms” refers to the videograms other than those defined in (c), (d) or (e).

(g) Bridal, etc.

“Bridal, etc.” shall mean a marriage ceremony, bridal party or other similar events.

(h) Total playing time

“Total playing time” means a period of time required for playback, rounded up to the nearest minute.

(i) Total playing time of works

“Total playing time of works” means the calculated sum of the playing of the works, rounded up to the nearest minute after summation.

(j) Cumulative playing time of works

“Cumulative playing time of works” means the calculated sum of the playing time of the works, any fractions of minute in which have been rounded to one minute.

Special rules for fee calculation

- (ii) Only the reproduction fee shall be applied for the use of a work on a videogram reproducing a product which has already been published under the authorization for synchronization.
- (iii) The fee for intermittent or receptive uses of a work on a videogram shall be the calculated sum of the playing time thereof depending on each method for the use of lyrics or music. In this case, the cumulative playing time of works shall be calculated by using such calculated sum of the playing time of a work.
- (iv) If the basic fee for a foreign work is designated by a trustor, the fee for the use, not inclusive of the amount equal to the consumption tax, shall be the sum calculated by replacing the amount of basic fee calculated under the provisions of 1(1) and (3) and 2(2) with the designated amount and shall be the sum obtained by adding the designated amount to the amount set forth in the provisions of 1(2) and 2(1).
- (v) The provision of 1(1)(B) shall apply to the fee for the use of videograms reproduced with the license granted on or before September 30, 2016 (to the extent that the total playing time of works accounts for 60% or less of the total playing time of videograms of dramas or animations and the product number or retail selling price is not changed).

Arrangements for usages where this Article is not applicable

- (vi) With respect to the use on videogram recordings, in the event the type of use or some specific circumstances prevent the rates under this Article from being applicable, the fee shall be determined within the scope of the rates and amounts set forth in this Article upon negotiation with the user.

Provisional measures

- (vii) In the provisions of 2(2), 50% shall read 20% from October 1, 2019 to March 31, 2022 and 35% from April 1, 2022 to March 31, 2024. In this case, if the calculated fee for the use per videogram is less than ¥1,020, it shall be ¥1,020.