
JASRAC

Guide to the Copyright Trust Contract and Membership

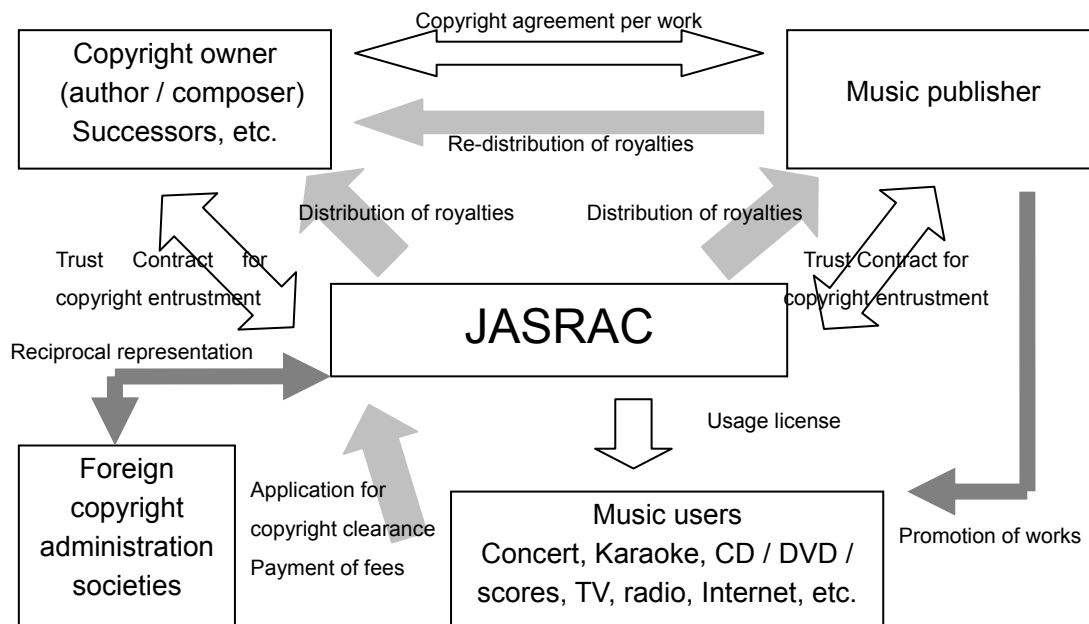
Thank you for considering the entrustment of your copyrights to JASRAC. This brochure explains the conditions and the procedures for the entrustment of your copyrights, your valuable property.

Please use this as a reference in your consideration for concluding a Copyright Trust Contract with JASRAC, and also as a guide to the application of the Trust Contract.

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1. JASRAC's Role

JASRAC's role is to "administer copyrights;" rights owners (authors, composers, music publishers, successors of copyright owners, etc.) entrust their copyrights to JASRAC, and JASRAC in turn distributes to the rights owners copyright royalties that music users pay. Rights owners may choose to administer their own copyrights, but it is extremely labor intensive to monitor music usage in its various forms such as concerts, karaoke, broadcasts, sound recordings and digital distribution, and then to deal with music users individually. This is where JASRAC can help through its business of collecting copyright royalties from music users for various forms of music use on behalf of rights owners, and distributing those royalties to each rights owner.



2. About the Copyright Trust Contract

The "Copyright Trust Contract" is a contract whereby rights owners entrust their copyrights to JASRAC. The contract stipulates the term of the contract, the extent of copyright administration to be entrusted, methods of administration and other aspects.

JASRAC's "Copyright Trust Contract" is not a per work "registration." The Contract entrusts the copyrights of all of the works a rights owner owns, including works that were created previous to the Contract being concluded, as well as works created afterwards.

♪ Term of the Trust Contract

The term of the Trust Contract is 3 years. However, the first contract term will be up to the first March 31st which arrives two years after the day the Trust Contract is concluded. Unless there is a request to cancel the contract, it will be renewed automatically for another 3 years. There is no renewal fee.

♪ Choice in the Extent of Trust of Rights

Generally, JASRAC is entrusted with and administers any and all copyrights owned and to be owned by a Trustor. However, a Trustor may exclude a part of his/her copyrights from his/her entrustment to JASRAC. A Trustor may exclude his/her rights from JASRAC's administration in accordance with the classification of categories of rights (1) Performing Rights, 2) Mechanical Rights, etc.) or utilization forms (7) Recording in Game Software, 11) Interactive Transmission, etc.) shown below. Please note that a Trustor cannot exclude the rights on a per work basis.

* The extent of trust of rights can only be changed at the time of renewal.

Categories of Rights

- 1) Performing Rights, etc.
- 2) Mechanical Rights, etc.
- 3) Lending Rights
- 4) Publishing Rights, etc.

Utilization Forms

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|--|
| 5) Recording in Film |
| 6) Recording in Videogram, etc.
(including rental videos) |
| 7) Recording in Game Software |
| 8) Recording for Advertisement Distribution |
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- | |
|---|
| 9) Broadcasting / Wire Diffusion |
| 10) Interactive Transmission |
| 11) Online Karaoke for Business Purpose |

5) to 8) are the utilization forms categorized under 2) Mechanical Rights.

9) to 11) are composite utilization forms relating to 1) Performing Rights and 2) Mechanical Rights.

The following combinations are not allowed:

- If a Trustor does not entrust JASRAC with 2) Mechanical Rights, he/she cannot entrust utilization forms 5) to 8) to JASRAC.
- If a Trustor does not entrust JASRAC with both 1) Performing Rights and 2) Mechanical Rights, he/she cannot entrust utilization forms 5) to 11) to JASRAC.

3. Application for Copyright Trust Contract

In order to conclude the Trust Contract with JASRAC, you are required to fulfill the following conditions and to pay an application fee.

If you wish to become a JASRAC member in addition to concluding the Trust Contract, please refer to “About JASRAC Membership and Trustorship” on page 7.

♪ Writers (Authors and Composers)

Conditions for concluding the Trust Contract

The person must hold copyright(s) to one or more musical work(s), which has/have been as a general rule used, or will definitely be used, by a third party in Japan within the past year.

→ Examples of “third party uses” are stated on page 5.

Fee

Trust Contract application fee: 27,000 yen (including consumption tax)

Documents to be submitted (authors and composers)

- A copy of your family registry (issued within the past 3 months)
(For foreign applicants: certificate of residence)
- Certificate of your seal impression (“*hanko*”) (issued within the past 3 months)
- A photographic portrait (taken within the past 3 months, 4cm vertical x 3.5cm horizontal)
- **Application form for concluding the Copyright Trust Contract**
- **Curriculum vitae**
- **Declaration form of the third party use of the work**
- **“Work notification form” of the work used by a third party**
- Documents to prove the third party use, such as CDs, etc.

*For the documents in bold letters, there are JASRAC designated forms.

♪ Music publishing companies

Conditions for concluding the Trust Contract

1) **The company must hold copyright(s) to one or more musical work(s), for which the company has concluded a Copyright Transfer Agreement with the copyright owner as the representative publisher. The relevant work(s) must have been as a general rule used, or will definitely be used, by a third party in Japan within the past year.**

→ Examples of “third party uses” are stated on page 5.

2) **The company must be a legal person. The business contents in its Articles of Association must contain the following businesses as a right-owner music publisher.**

- a. Administration of musical copyright
 - b. Promotion of the exploitation of musical works
 - c. Planning and manufacturing of original sound masters of compact discs, videos, etc.
 - d. Publication of sheet music
- (a and b are essential, and either one of c or d is necessary)

3) **The contents of the Copyright Transfer Agreement, which the company concluded with the author/composer as a music publisher, must be in conformity with the various rules and regulations of JASRAC, such as the Stipulations for Copyright Trust Contract and the Articles of Association.**

Fee

Trust Contract application fee: 81,000 yen (including consumption tax)

Documents to be submitted (music publishing companies)

- Copy of the Articles of Association, or copy of the minutes on the occasion of amending the Articles of Association or the objective of business
- Copy of your company's registry (issued within the past 3 months; original copy)
- Certificate of your company's registered seal ("*jitsuin*") (issued within the past 3 months)
- Copy of the "Copyright Transfer Agreement" regarding the work used by a third party
- **Application form for the concluding the Copyright Trust Contract**
- **Explanation of business contents**
- **"Work notification form" of the work used by a third party**
- **Declaration form of the third party use of the work**
- **Written pledge**
- Documents to prove the third party use, such as CDs, etc

*For the documents in bold letters, there are JASRAC designated forms.

♪ Examples of “third party uses”

“Third party uses,” which is a requirement for the conclusion of the Trust Contract, is explained in general terms below.

Please declare **one** “third party use” during the past year out of the following 1) to 6).

1) “Third party use” by audio or audiovisual recording

The work must be used in the form of CDs, videograms, DVDs, etc. distributed nationwide.

However, the above is limited to audio/audiovisual recordings which are planned and produced for general sales in Japan. There must be more than 1,000 copies (grand total) manufactured by commercial audio/audiovisual recording manufacturers, such as record companies. **The use of a work in a product released privately or released by your commission is excluded from the above.**

2) “Third party use” by publication

The work must be used in a nationally circulated publication.

However, the above is limited to publications which have a retail price and are planned and produced by publishers or others for general sales in Japan.

The use of a work in a publication issued privately, released by your commission, or in coterie magazines, etc., is excluded from the above.

3) “Third party use” by performance

The work must be performed in a concert which has an admission fee. If the seating capacity of the venue is less than 500, the work must be performed at least three times in the past year.

The use of a work in a performance organized by yourself (or for music publishers, by your company), taking place at a “live house,” hotel, restaurant, etc., is excluded from the above.

4) “Third party use” by broadcast

The work must be used in a television or radio broadcast including BS broadcast and CS broadcast by NHK (Nippon Hoso Kyokai) or a commercial broadcaster.

The use of a work by cable, community broadcasting, or “mini FM station,” and broadcasts for events is excluded from the above.

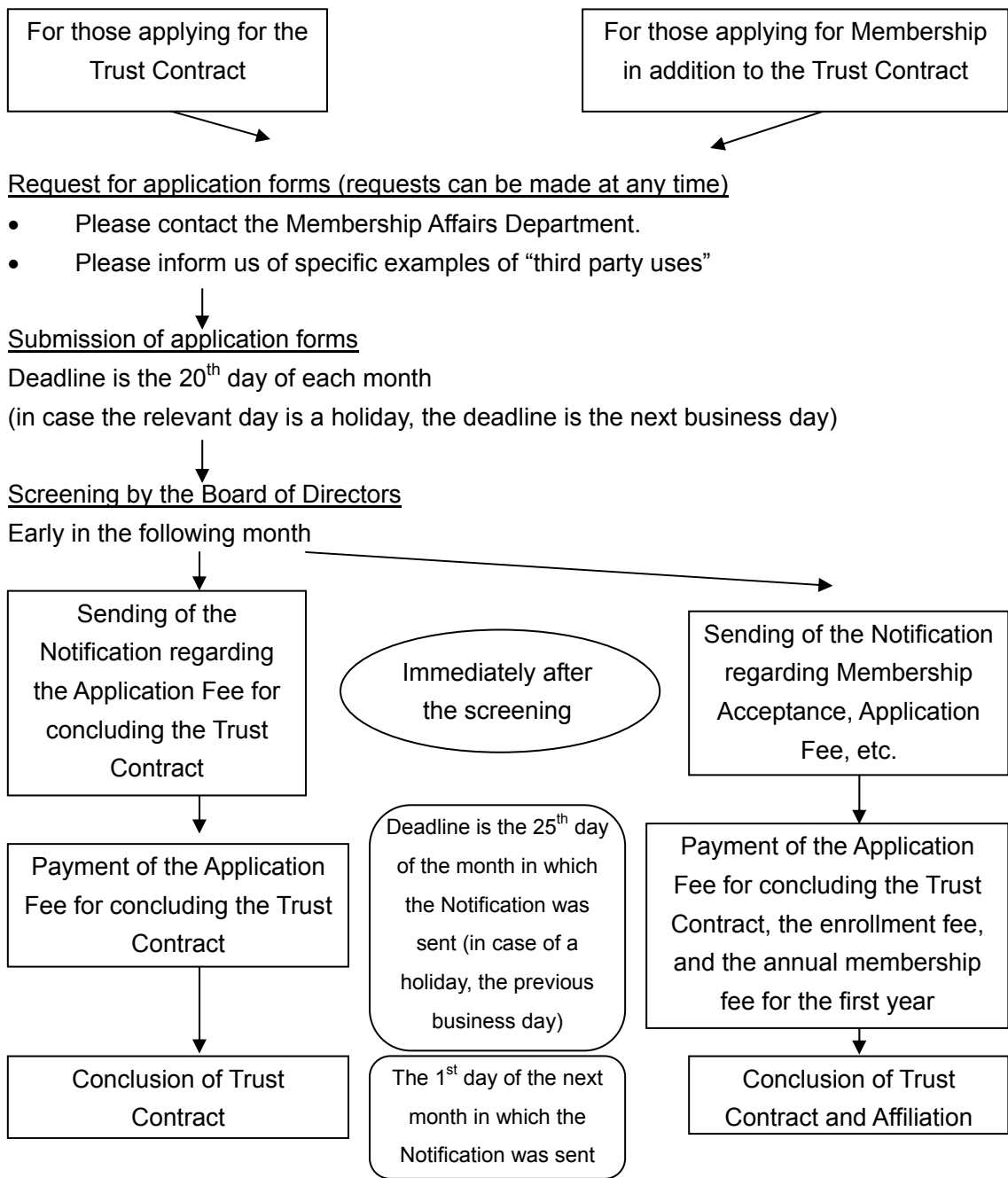
5) “Third party use” by on-line Karaoke for business use

The work must be used in on-line Karaoke for business use.

6) “Third party use” by interactive transmission

The work must be used in an interactive transmission on a commercial website. **The use of a work on a website operated by yourself (or for music publishers, by your company) and on a website for user generated contents is excluded from the above.**

♪ **Steps for concluding the Copyright Trust Contract and the application for Membership**



4. About JASRAC Membership and Trustorship

All rights owners (authors, composers, music publishers, etc.) who conclude a Copyright Trust Contract with JASRAC are referred to as a “Trustor.” “Trustors” who agree with JASRAC’s objectives, submit the prescribed application and pay an enrollment fee, become a “Member.”

There is an “Associate Membership” and a “Full Membership.” Initially, all Members become an “Associate Member.” Associate Members who fulfill the prescribed qualification requirements during a certain period and submit to the qualification procedure become “Full Members.”

Full Members are asked to participate in the operations of JASRAC as a “member” stipulated in the law governing general corporations*, and obtains certain rights including the right to attend and vote at General Meetings, and the right to elect and be elected to the posts of Director, Auditor, and Chairman.

*Act on General Incorporated Associations and General Incorporated Foundations

It is noted that there is no difference between a Trustor, an Associate Member and a Full Member with regard to copyright royalty collection and distribution.

To apply for Membership in addition to the conclusion of the Copyright Trust Contract, a separate Membership application and the payment of an enrollment fee and a yearly membership fee are required as follows:

■ Writer (author and composer)

◇Required document - Application Form

◇Fee

- Enrollment Fee 25,000 yen • Annual Fee 4,000 yen
- [In addition, an application fee of 27,000 yen (including consumption tax) for Copyright Trust Contract is required]

■ Music publisher

◇Required documents - Application Form

◇Fee

- Enrollment Fee 75,000 yen • Annual Fee 20,000 yen
- [In addition, an application fee of 81,000 yen (including consumption tax) for Copyright Trust Contract is required]

Rights and Benefits of Trustors and Members

	Contents	Trustor	Associate Member	Full Member
Rights admitted to Members and Trustors	Attending and voting at General Meetings	x	x	o
	Right to elect and be elected as Chairman, Director and Auditor	x	x	o
	Access to membership list, operation report, balance sheet	x	o	o
Welfare etc.	Use of "rest houses" for members	x	o	o
	Consultation on laws	x	o	o
	Consultation on tax matters	x	o	o
	Use of Keyaki Hall	x	o	o
	Use of Members' saloon	x	o	o
	Subscription to JASRAC newsletter	o	o	o

5. FAQ

Q. I would like to “register” my work.

A. Copyrights are generated at the time of creation of a work and gain protection under the Copyright Law without any requirements, such as registration. JASRAC’s “Copyright Trust Contract” is not a per-work “registration.” The Contract entrusts the copyrights of all works a rights owner owns, including works that were created previous to the Contract being concluded, as well as works created afterward.

Q. To protect my works from plagiarism, should I conclude a Copyright Trust Contract with JASRAC?

A. JASRAC does not pass judgment on or certify authorship of works, and a Copyright Trust Contract concluded with JASRAC will not fulfill the purpose of protecting against so called plagiarism (which is copyright infringement). Any dispute arising with regard to plagiarism will have to be resolved by the parties involved.

Q. Will any “contract renewal fees” or work “registration fees” be charged after the Copyright Trust Contract is concluded?

A. Other than the Trust Contract application fee [writers: 27,000 yen/music publishers: 81,000 yen (including consumption tax)], no other fee payments are required. The Trust Contract is not a per-work contract, and therefore no ‘registration fees’ are required. However, JASRAC does deduct a prescribed commission upon distributing copyright royalties collected from music users to individual rights owners. (Please refer to “About JASRAC Membership and Trustorship” on page 7 with regard to enrollment and yearly membership fees.)

Q. Am I allowed to use my own works freely after concluding the Copyright Trust Contract?

A. Once a Copyright Trust Contract is concluded, copyrights are transferred to JASRAC, and JASRAC becomes the licensor. This does not change even if the music user is the author or the composer of the music used, and therefore, a license will have to be obtained and copyright royalties will have to be paid. However, when authors and composers use their own works for the purpose of disseminating their works, there are situations where copyright royalties may be exempted if certain conditions are fulfilled.

Q. Can an author or a composer who has a publishing contract with a music publisher still conclude a Copyright Trust Contract with JASRAC?

A. Yes. However, there are situations where this is not possible in case the music publisher does not have a Copyright Trust Contract with JASRAC. Also, works for which a copyright transfer contract with a music publisher exists will only be administered to the extent of the administration entrusted to JASRAC by the music publisher in its Copyright Trust Contract, regardless of the extent of administration entrusted to JASRAC by the author/composer in his/her Copyright Trust Contract.

Q. Can overseas usages be administered by JASRAC?

A. JASRAC has concluded representation agreements with 120 copyright management organizations around the world (as of March June 2014). When a work by a JASRAC Member or Trustor is used overseas, there is an international network of copyright management organizations which allows the local organization to administer such usage on JASRAC's behalf.

For further inquiries on the Copyright Trust Contract and JASRAC membership, please contact us at:

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<http://www.jasrac.or.jp/ejhp> (English)

