

Japan Academic Association for Copyright Clearance, Inc.

Stipulations of Management Consignment Agreement

(Purpose)

Article 1

The purpose of these Stipulations is to define the terms and conditions of management consignment agreements by which consigners of copyrights (hereinafter referred to as “Consigner”) entrust or authorize the Japan Academic Association for Copyright Clearance, Inc. (abbreviated JAACC: hereinafter referred to as “Consignee”) to act as a proxy in granting a license for the purpose of protecting copyrights of works and facilitating the use thereof involving copying, etc. (hereinafter referred to as “copy use”).

(Definitions)

Article 2

The following words shall have the following meanings when used in the Stipulations.

- (1) “Copying” shall mean reprographic reproduction of works in the form of paper or film.
- (2) “Transfer” shall mean offering of copied materials to the public, which is required for “copying” set forth in (1) above.
- (3) “Transmission” shall mean a public transmission of works by a facsimile machine pertaining to “copying.”
- (4) “Digitization for the purpose of copying” shall mean the creation of files of works by image input and the storage of such files in a computer for the purpose of copy uses of the works.
- (5) “Reprographic rights, etc.” shall mean the rights pertaining to “copying,” “transfer,” “transmission,” and “digitization for the purpose of copying.”
- (6) “Consignment” shall mean the consignment of exercise of “reprographic rights, etc.”
- (7) “Beneficiary” shall mean a person who receives the payment of the royalty under the Royalty Rules.

(Consignment of reprographic rights, etc.)

Article 3

1. Consigner shall specify the name of the works (hereinafter referred to as the “consigned works”) and consign the management of the reprographic rights, etc., and Consignee shall undertake this. However, in the event that Consigner has specified a work in a management consignment agreement and that the manner of its use is copying for the purpose of distribution of the work, the royalty rate shall be determined by the

Consigner regardless of the royalty set forth in the Royalty Rules.

2. In the foregoing consignment, Consigner may exclude the management of the rights with respect to the specified works, publications or the specified manner of use from the scope of consignment of rights, etc. entrusted to Consignee. In such an event, Consigner shall submit Consignee a statement of exclusion under the form set forth separately.
3. Consignee may, if necessary, reassign the consigned copying rights, etc. to a copyright management business operator who is registered by the Commissioner of the Agency for Cultural Affairs with respect to copy use in Japan and to an overseas copyright management organization with respect to copy use in a foreign country.
4. In the event that reprographic rights, etc. of a consigned work are transferred to a third party or put in pledge, or Consigner has lost the authorization to exercise such rights, Consigner shall notify Consignee thereof.
5. In the event that reprographic rights, etc. of a consigned work are jointly owned by more than one person, a representative agreed upon by all of the joint owners shall be Consigner.

(Warranty of rights)

Article 4

1. Consigner warrants that he/she owns the title to entrust Consignee to act as a proxy to authorize the license concerning all of the works to be consigned, and that none of such works constitute an infringement of any right owned by any other person.
2. Consignee may, if necessary, request Consigner to submit the document(s) concerning the warranty as mentioned in the foregoing Paragraph. In such a case, Consigner shall submit such document(s) without delay.

(Term)

Article 5

The term of consignment agreement shall be for five (5) years from the execution date of a management consignment agreement. However, the term of agreement shall be extended for another five (5) years unless Consigner expresses his/her intention to terminate the agreement to Consignee not later than three (3) months prior to the expiry of the term. The same shall apply with respect to the procedure at the time of expiry of the term thereafter.

(Method of collecting royalties)

Article 6

Consignee shall collect the royalties from users based on the Royalty Rules reported to the Commissioner of the Agency for Cultural Affairs.

(Appointment of Beneficiary)

Article 7

Beneficiary under the Stipulations shall be Consigner. However, Consigner may appoint a third party as Beneficiary or change the appointed Beneficiary with consent of Consignee.

(Time for distributing royalties)

Article 8

Consignee shall distribute the royalties, which were collected by the Consignee, to Beneficiary by the end of each year following the fiscal year in which the date of collecting the royalties falls.

(Method of distributing royalties)

Article 9

Consignee shall distribute the royalties, which were determined by the Board of Directors, to Beneficiary based on the report on the copied works provided by users and/or data of a sample survey conducted by the users.

(Amount of remuneration of Consignee)

Article 10

Consignee shall deduct administrative fees, which were determined by the Board of Directors, from the collected royalties within the limit not exceeding thirty (30) percent thereof to cover expenses required for Consignee's business activities.

(Deduction of remuneration of Consignee)

Article 11

Consignee shall deduct the remuneration set forth in the foregoing Article when distributing the royalties that were collected by the Consignee.

(Confidentiality)

Article 12

1. Consigner may, if necessary, request Consignee to disclose information with respect to the name of a user with whom Consignee concluded a license agreement and the contents thereof.
2. Consigner shall not disclose to outside parties any information about user's copy use, which was given by Consignee, except judiciary proceedings or as otherwise provided by other laws and regulations.

(Amendment to Stipulations)

Article 13

1. Consignee shall, when amending the Stipulations, make a public notice of the amended stipulation(s) on the Web page of Consignee at least three (3) months prior to the date when such amendment is made and becomes effective, and notify Consigner thereof.
2. Consigner who objects takes objection to the amendment to the Stipulations mentioned in the foregoing Paragraph may terminate a consignment agreement even during the term of the agreement mentioned in Article 5 hereof by giving a written notice to Consignee not later than the day before the effective date of such amendment after the notification of the amendment is delivered.
3. When the right to terminate a consignment agreement has not been exercised within the period mentioned in the foregoing Paragraph, Consigner shall be deemed to have agreed to the amendment to the Stipulations mentioned in Paragraph 1 of this Article.

(Termination of management consignment agreement)

Article 14

1. When Consigner intends to terminate a consignment agreement during the term of agreement term mentioned in Article 5 hereof, he/she must notify Consignee in writing with a three (3) month or longer grace period.
2. Consigner or Consignee may terminate a management consignment agreement if either party breaches any of the provisions in the Stipulations and fails to perform his/her obligations within a grace period of three (3) months or longer by demanding the performance of his/her obligations under the management consignment agreement.
3. In the event that Consignee has come to fall within any of the Items set forth in Article 9 of the Law on Management Business of Copyright and Neighboring Rights, 1) Consigner may terminate a management consignment agreement pursuant to the proceedings set forth in Paragraph 1 of this Article when Consignee has come to fall within Item 1, Item 3, or Item 4 of the said Article, and 2) the management consignment agreement shall be naturally deemed to have been terminated on the date Consignee has been adjudicated a bankruptcy when Consignee has come to fall within Item 2 of the said Article.

(Succession of management consignment agreement)

Article 15

1. A person who has succeeded the reprographic rights, etc. owned by Consigner as a result of inheritance or transfer of business, merger, or division shall succeed the status of Consigner under a management consignment agreement.
2. A person who has succeeded to the status of Consigner shall notify Consignee thereof without delay.

3. When there is more than one successor mentioned in Paragraph 1, they shall elect one (1) representative and notify Consignee thereof.

(Change of address, etc. of Consigner)

Article 16

When Consigner has changed the name or the address, he/she shall notify Consignee thereof in writing without delay.

(Providing financial statements, etc.)

Article 17

Consignee shall prepare, within three (3) months after the lapse of each business year, the financial statements set forth in Article 19 of the Law on Management Business of Copyright and Neighboring Rights and provide the same to Consigner through the Internet, etc.

(Jurisdiction)

Article 18

Any lawsuit arising with respect to a management consignment agreement concluded under the Stipulations shall come under the jurisdiction of the Tokyo District Court.

Supplementary Provision

(Effective date of Stipulations)

The Stipulations shall become effective March 5, 2009.