Material 1-3

The 21st term of the International Subcommittee, Copyright Subdivision of the Culture Council
(the 4th meeting)

Current Approach and Problems Surrounding Consumers

January 25, 2022

Content Overseas Distribution Association (CODA)

GOTO Takero, Representative Director

1. Current state and background of Japanese contents and piracy sites

■ **Manga, anime, and other contents that Japan is proud of are currently the targets of piracy site operators throughout the world. They are now becoming the top earners for these sites.**

- There are at least 60 malicious overseas piracy sites, as identified by CODA alone.
- The prime source of earnings for these sites had been films, sports and broadcasting programs from the U.S.
- However, views have been increasing also with Japanese contents.

Unlike the rightsholders in the U.S., Japanese rightsholders do not exercise rights against violation overseas! !

Low-risk and high-return!

Total amount of damages caused by the online piracy of Japanese contents in 2019 is estimated as

333 ,370,388,130 yen to 430,031,420,514 yen.

Media	Estimated distribution of pirated contents
Visual works	748,147,241,490 yen - 1,073,573,755,673 yen
Publishing	533,772,332,424 yen - 575,315,991,651 yen
Music	109,201,989,775 yen - 151,691,454,157 yen
Game	226,895,467,083 yen - 471,833,623,438 yen
Total	1,904,498,846,354 yen - 1,985,933,009,338 yen

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Ratio of convertibility to legitimate contents					
U.S.	France	Indo-nesia	China	India	Japan
21.0%	22.6%	26.7%	22.4%	26.6%	19.1%
25.6%	26.7%	32.8%	23.4%	29.0%	27.7%
25.4%	23.9%	22.3%	17.1%	26.1%	18.5%
29.6%	15.3%	18.5%	26.9%	35.5%	23.2%

Calculation from consumer questionnaire

+ **Results of interviews with industry groups**

Validation

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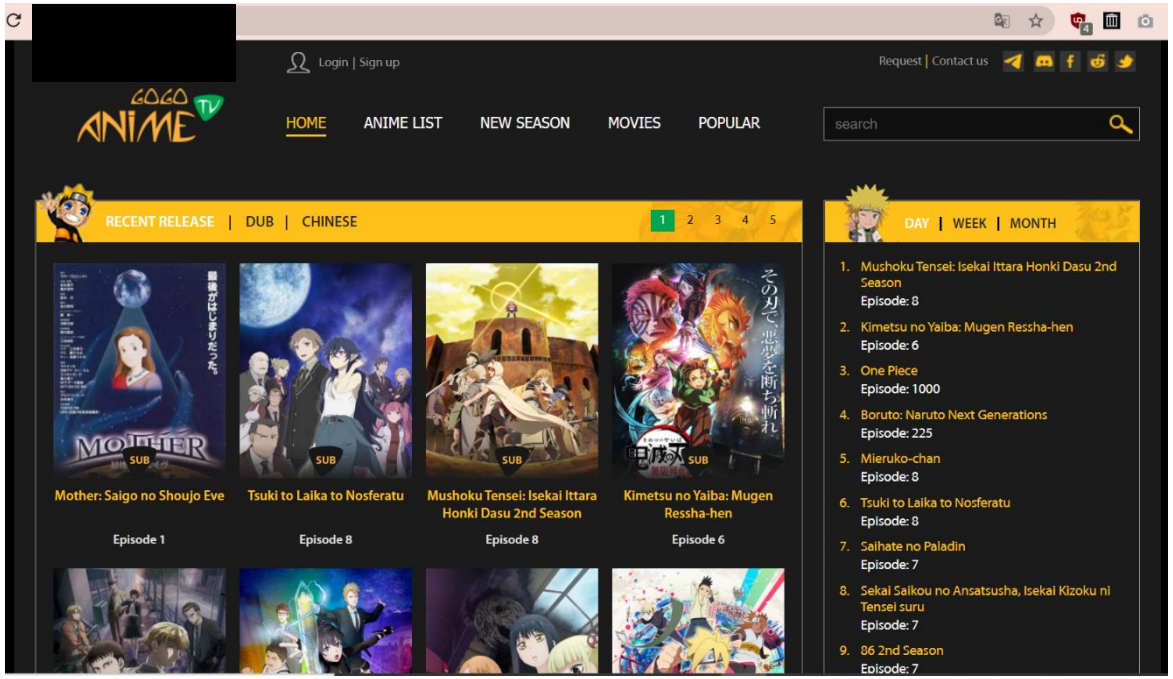
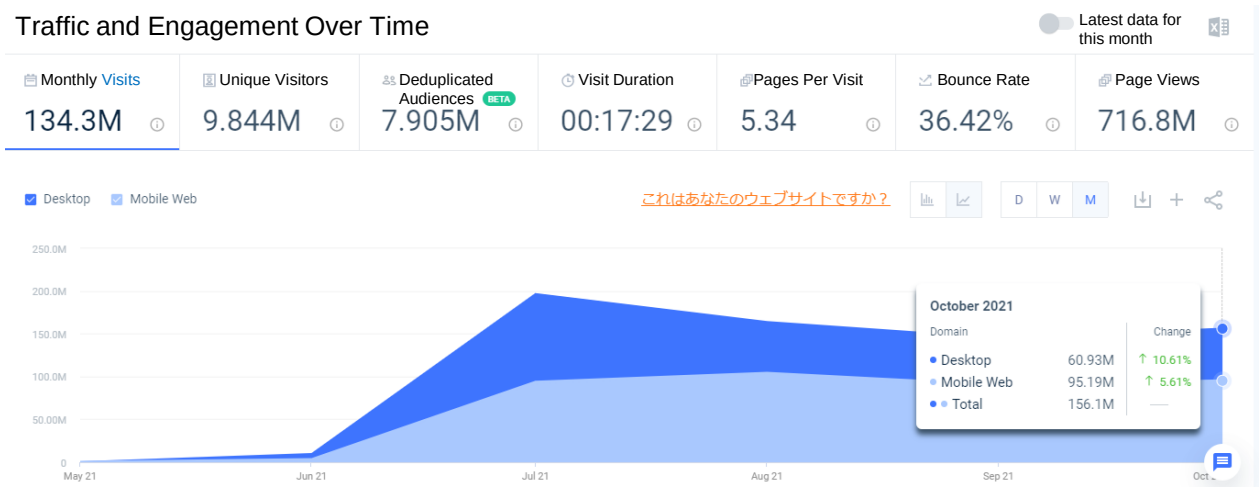
Media	Amount of damage by pirated contents
Visual works	154,526,075,601 yen - 253,343,253,066 yen
Publish-ing	140,766,240,425 yen - 155,208,397,503 yen
Music	23,635,915,026 yen - 35,921,927,024 yen
Game	0 yen
Total	**333,370,388,130 yen - 430,031,420,514 yen**

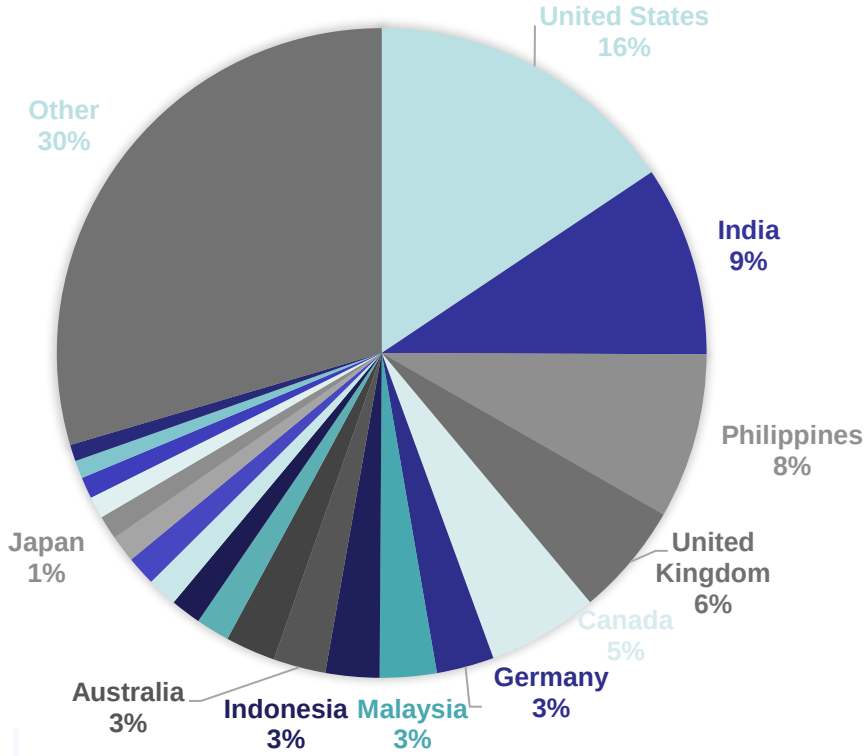
Supporting data
- ✓ Legitimate contents market data
- ✓ Ratio of the consumption of legitimate and pirated contents
- ✓ Digital media usage rate
- ✓ Usage rate of pirated contents
- ✓ Amount of piracy consumption (per person)
- ✓ Ratio of Japanese contents among the entire contents consumption
- ✓ Unit price of contents
- ✓ Ratio of purchasing pirated editions (opportunity loss ratio)
- ✓ Amount of distribution via piracy sites

From the "Commissioned Business on FY2019 Project to Enhance Anti-Piracy Measures by the Intellectual Property Rights Working Group, etc. (Project to Enhance Measures Against Intellectual Property Rights Infringement)" (Project for Research on Contents Market Size, etc.)" by PwC Consulting LLC http://www.coda-cj.jp/news/detail.php?id=205

(Example 1) Website A





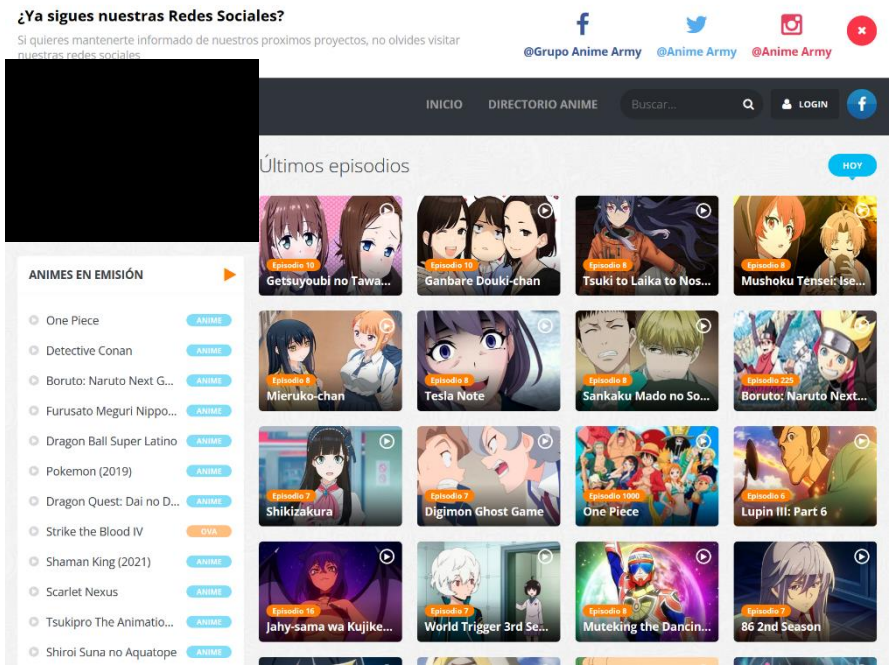


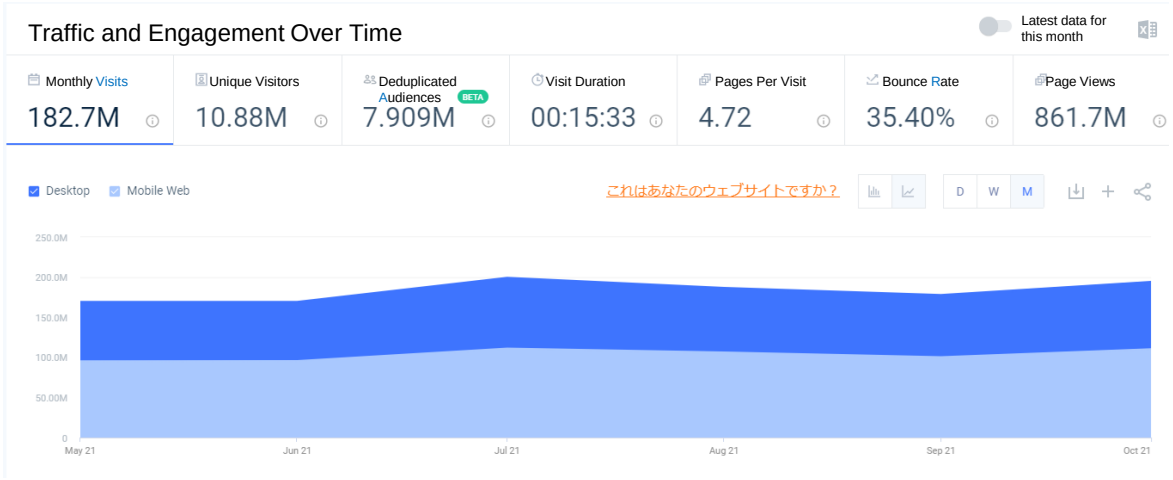
Keep operating by frequently changing the domain name. When the site is in operation, globbal monthly access exceeds 150 million.

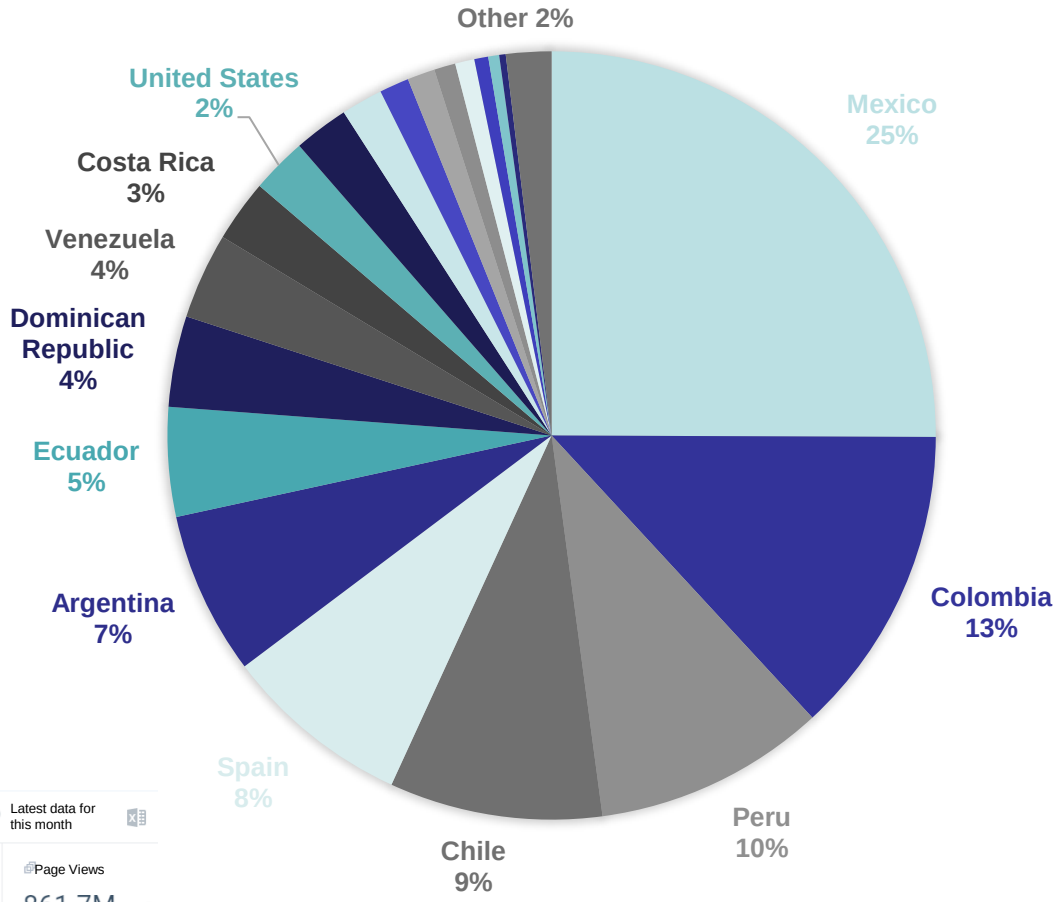
Country	Traffic share
United States	15.60%
India	9.46%
Philippines	8.22%
United Kingdom	5.64%
Canada	5.49%
Germany	2.86%
Malaysia	2.83%
Indonesia	2.68%
Australia	2.61%
Netherlands	2.49%
Singapore	1.67%
Denmark	1.52%
France	1.49%
Sweden	1.47%
Hungary	1.35%
Japan	**1.19%**
Bangladesh	1.09%
United Arab Emirates	1.07%
Romania	0.89%
Nepal	0.83%
Other	29.57%

(Example 2) Website B (Refuses access from Japan)

CODA







Website traffic is mainly from South America

Global monthly access exceeds 180 million.

Country	Traffic share
Mexico	25.06%
Colombia	13.06%
Peru	9.76%
Chile	8.96%
Spain	7.90%
Argentina	6.86%
Ecuador	4.60%
Dominican Republic	3.82%
Venezuela	3.62%
Costa Rica	2.62%
United States	2.34%
Bolivia	2.31%
Guatemala	1.75%
Panama	1.24%
El Salvador	1.16%
Honduras	0.90%
Paraguay	0.81%
Uruguay	0.59%
Nicaragua	0.46%
United Kingdom	0.27%
Other	1.91%

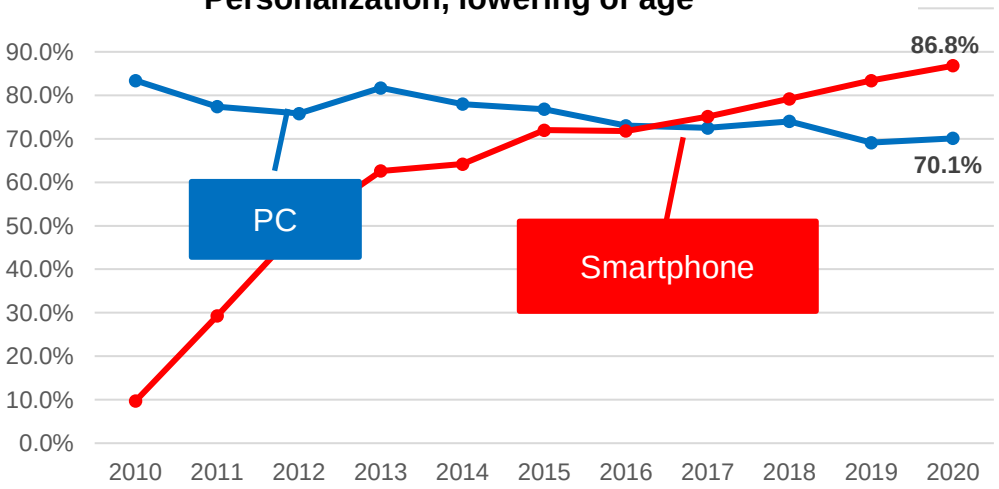
(1) Current situation and background; Development of digital network and the global diffusion of high-performance terminals

Changes in online environment → Contents are vulnerable to online environment

The more the online environment evolves, the more the damages occur.

*(i) - (iii) are trends that can be seen similarly throughout the world.

(i) Changes in distribution channel →
Personalization, lowering of age

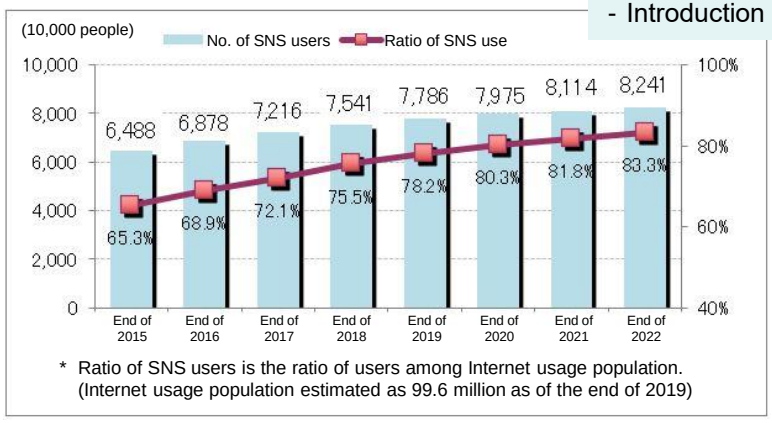


Possession of information communications devices (household)

(ii) Diffusion of SNS

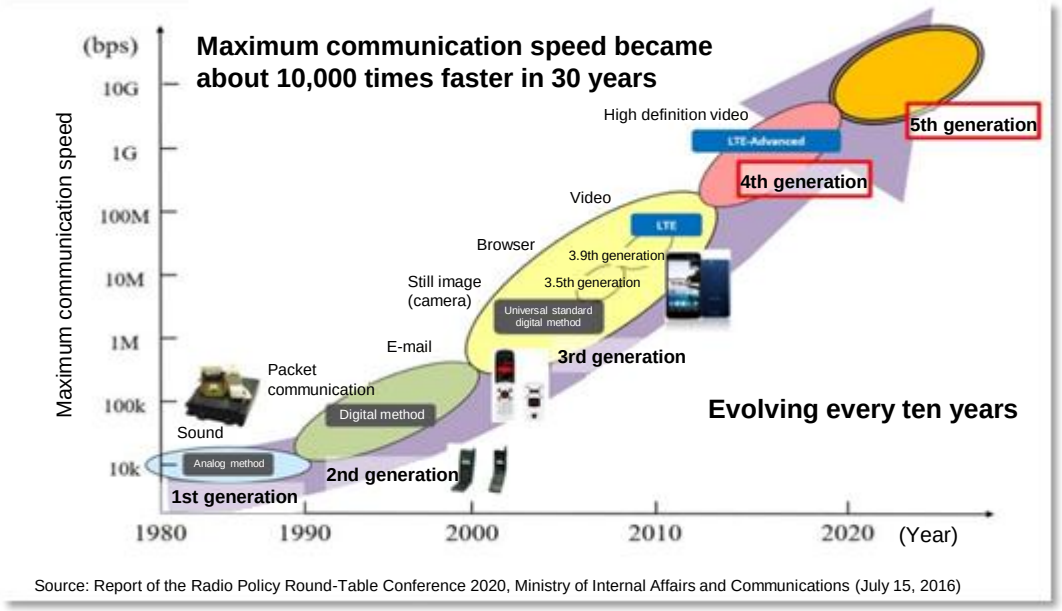
In SNS,
- The original contents can be uploaded → Facebook, etc.
- Introduction of links → Twitter, LINE, etc.

■Table 1. Number of SNS users in Japan



* Ratio of SNS users is the ratio of users among Internet usage population.
(Internet usage population estimated as 99.6 million as of the end of 2019)

(iii) Changes in telecommunication systems



Source: Report of the Radio Policy Round-Table Conference 2020, Ministry of Internal Affairs and Communications (July 15, 2016)

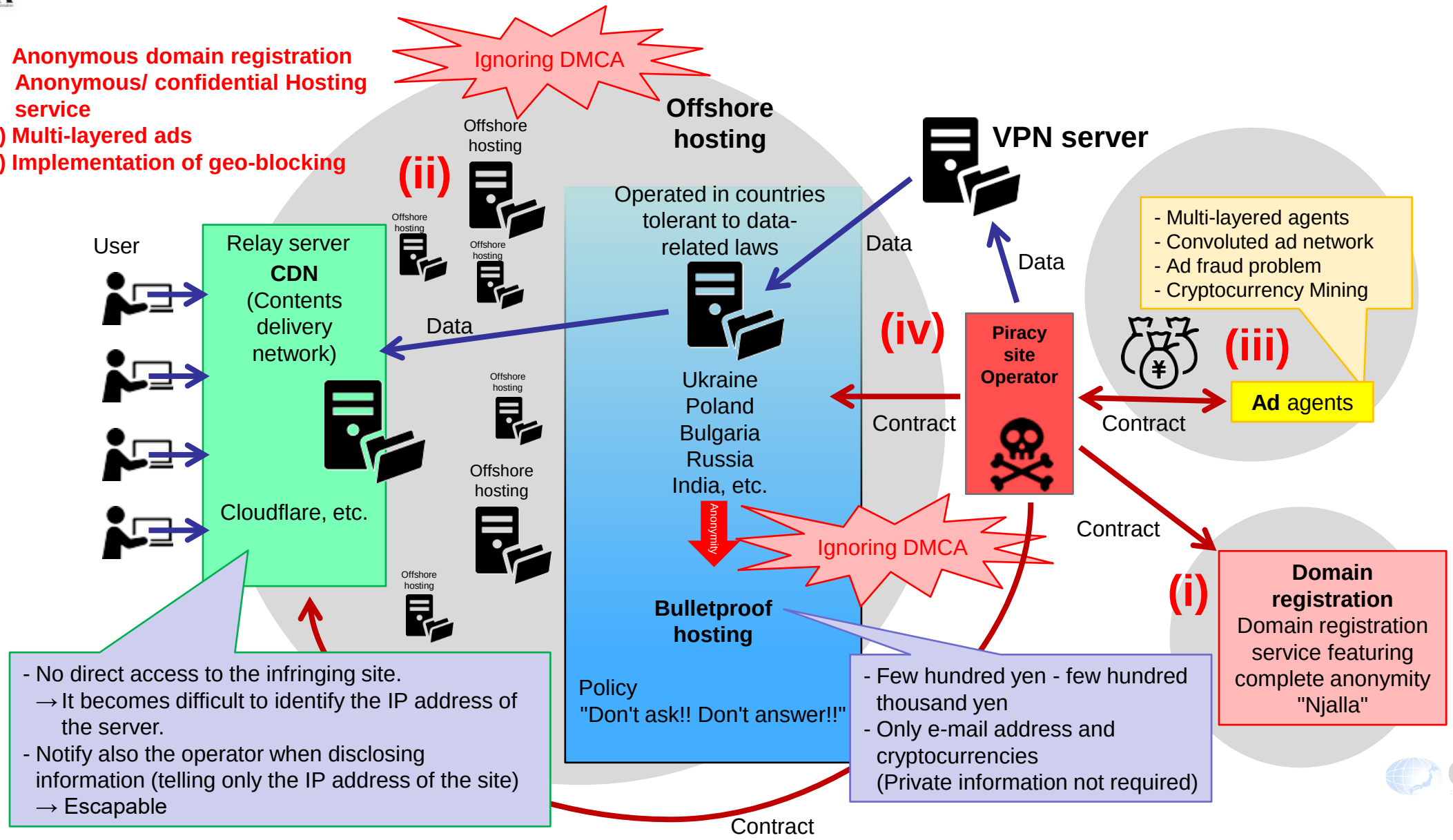
Time to take to Download one DVD	2nd generation	3rd generation	3.5th generation	3.9th generation	4th generation	5th generation
	43 - 44 days	27 - 30 hours	45 min. - 1 hour	4 - 5 min.	30 - 40 sec.	1.5 seconds for a 2-hour high-vision film

(1) Ultra-high speed
(2) High capacity
(3) Ultra-low latency
(4) Simultaneous multiple connection

(i) "Information and Communications in Japan 2021," Ministry of Internal Affairs and Communications
(ii) "Information and Communications in Japan 2017," Ministry of Internal Affairs and Communications
(iii) From the "FY2020 Survey on the Trend of SNS Usage," July 29, 2020, by ICT Research & Consulting Inc. https://ictr.co.jp/report/20200729.html/

(2) International service that facilitate anonymity/confidentiality for the operation of piracy sites

(i) Anonymous domain registration
(ii) Anonymous/ confidential Hosting service
(iii) Multi-layered ads
(iv) Implementation of geo-blocking



2. Full start of the Cross-Border Enforcement Project (CBEP)

(1) What is the Cross-Border Enforcement Project?

In cooperation with ethical hackers (cybersecurity experts), investigate and identify the operators of malicious piracy sites with the aim of reinforcing cross-border enforcement against such sites.

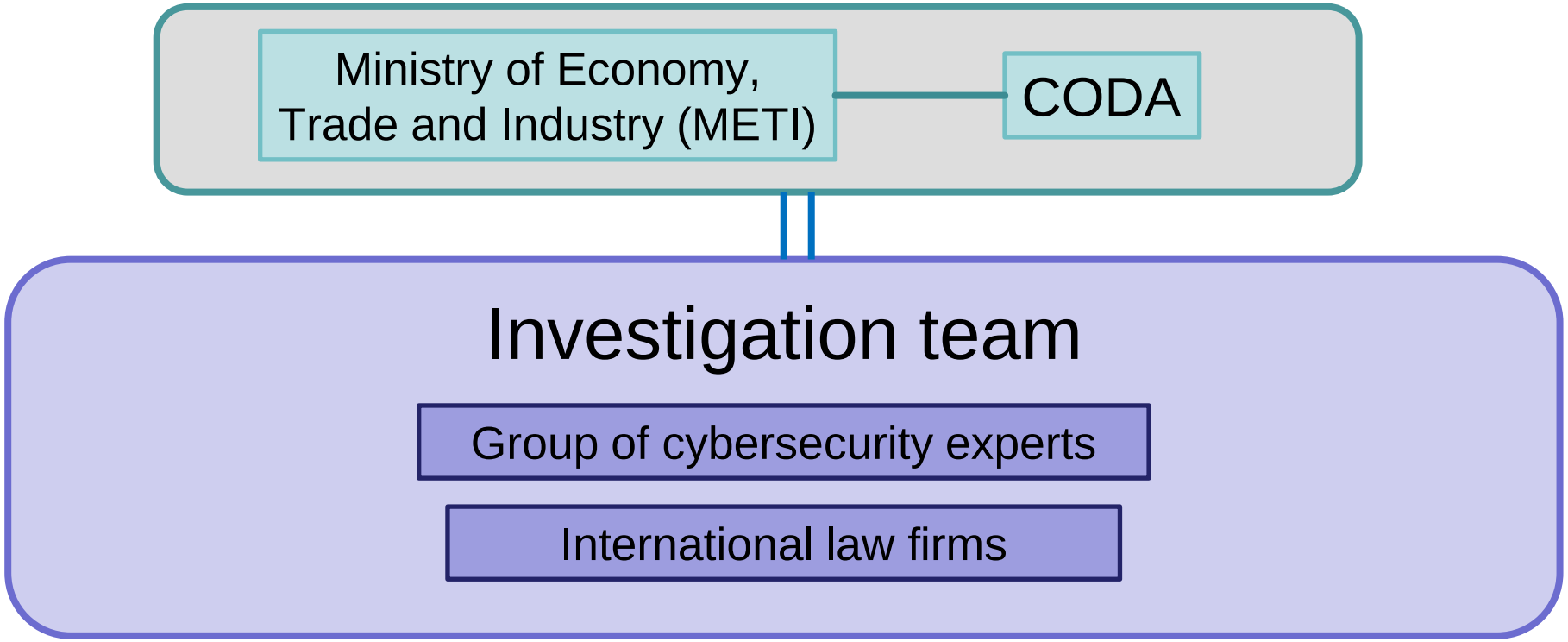
Started in full operation from April 2021!

Current situation

① There is no end to the number of malicious overseas piracy sites that infringe a massive amount of Japanese contents
② There are no measures or systems established to promptly identify overseas piracy site operators
③ Diffusion of high-performance mobile terminals / coming of the era of 5G (personal, high-speed and large-capacity)

➡ There is an urgent need to establish an effective framework/system to structurally deal with the issues
➡ By fully utilizing the knowledge/experience of ethical hackers with CODA, the project establishes a single package for an international enforcement system against malicious piracy sites

(2) Implementation freamwork of CBEP



Based on creditable evidence, implement the cross-border enforcement procedure under support from the Japanese government by utilizing the direct relationships with governmental agencies and relevant organizations that CODA has been building.

3. What kind of reinforcement should be achieved for cross-border enforcement, and what are the problems and solutions?

Solution 1

Through measures such as legitimate digital forensic investigation, identify piracy site operators! !

(i) Execution of right through criminal proceedings at the place where the operator in question resides

(Successful example) 2017, Brazil, criminal detection of "Anitube"

(ii) Execution of right in the form of compensation for loss or damage after the decision on punishment was finalized for the criminal case mentioned above

Solution 2

Through measures such as legitimate digital forensic investigation, identify the online service used by piracy sites.

(i) Implement information disclosure procedure against such service operators

⇒ Identification of contract parties ⇒ Execution of rights through criminal proceedings

(Successful example) 2021, criminal detection of "fast films" by Miyagi Prefectural Police

Solution 3

Implementation of knock and talk

Even if a piracy site operator is identified, if it is impossible to execute rights in the country in question because of the absence of relevant law, implement knock and talk as a realistic countermeasure to cease the act of infringement.

(Successful example) 2020, Shanghai, knock and talk to the operator of "Miomio"

"Details of the negotiation"
- Receipt of a commitment form promising to discontinue and never operate the site again
- Voluntary submission of the domain name in question
- Receipt of settlement money, etc.

Solution 4

Name and shame

Indicate and officially announce malicious piracy sites.

(Successful example) April 13, 2018, Intellectual Property Strategy Headquarters and the Ministerial Meeting Concerning Measures Against Crime "Manga-mura," "Anitube," and "Miomio" are indicated as malicious piracy sites

(Example) Office of the United States Trade Representative (USTR)

Review of Notorious Markets for Counterfeiting and Piracy

Solution 5

Implementation of indirect measures, such as inhibiting ads placement

- Inhibiting ads placement

  Publish information continuously on the Watch List on Copyright Infringement (Blacklist), and based on cooperation with advertising related organizations, inhibit ad placement

- Filtering (showing warning messages)

  Publish information continuously on the Watch List on Copyright Infringement (Blacklist), and based on cooperation with security software companies, show warnings when browsing piracy sites.

- Prevent from showing up in search results (prevent from showing illegal contents links) → Details on next page

  Prevent from showing up in search results based on cooperation with Google

- Other

Prevent from showing up in search results (prevent from showing illegal contents links)

1. Request Google to remove individual URLs
   - Identify the URL and infringing works, and the right holder makes request for removal.
   - CODA is certified from Google for TCRP (Trusted Copyright Removal Program for Web Search), and can send removal requests in large quantity.
   - On average, CODA makes about 20,000 removal requests per month.
   - When Google receives effective removal requests in large numbers, “demotion signal," which lowers overall placement of the site in question in search results, goes effective, and in the case of requests from CODA, the system is working effectively.
   - However, there is a problem in that the demotion signal does not work for piracy sites related to publishing.
     - It may be because the site is highly popular and includes a large number of contents.
     - From January 2022, an experiment of sending removal requests in large quantity from CODA.
     - System operation starts in the near future.

2. Request Google to remove the "top page" and "category page"
   - While links to various illegal contents are shown on the top page, indicated as "New!" for example, the contents on the page change with time, so removal requests for a certain work cannot be made.
   - On the other hand, these pages are often visited, and show up in search results.
   - CODA sets forth criteria for malicious piracy sites, and sites falling under the criteria are removed based on agreements between CODA and Google.

4. Reinforcement of international cooperation; Deeper and wider

(1) Opening of CODA Beijing Office: Service starts from January 1, 2022

September 10, 2021 Registered at Beijing Municipal Public Security Bureau by making application to and being approved by Publicity Department of the Chinese Communist Party, based on the PRC Administrative Law on Overseas NGOs' Activities within China (governed by Ministry of Public Security of the People's Republic of China, enforced on January 1, 2017).
The first overseas organization approved by the Publicity Department based on said law.
The types of business registered are:

(i) Copyright authentication business for Japanese contents
(ii) Protection of the copyrights of CODA member companies
(iii) Research and publicity on copyright law
(iv) Exchange and cooperation with China in the area of copyright

(2) Establishment of International Anti-Piracy Organization (IAPO)

The first meeting starts on April 1, 2022

Establish an international cooperation organization in the private sector on measures against pirated contents to aim for improving the international network.
From bilateral to multilateral

- In Japan, almost all possible measures have already been taken in the Policy Menu of Anti-piracy Measures on the Internet compiled by the government in October 2019. CODA is also closely examining every day, aiming to realize the promptness, viability, and efficiency of each measure.
- Internationally, advanced countries in terms of contents in Europe and the U.S. are also taking similar measures, such as MPA/ACE and PIPCU in UK. While the degree of measures to be enhanced may differ by region, work is being done to increase the depth of measures. In MPA/ACE, measures are implemented globally by infusing a huge amount of money.
- On the other hand, most countries, including in Southeast Asia, do understand the necessity of each measure but the measures are unimplemented, which is a state pointed out and urged from contents companies and groups in Europe and the U.S.
- In order to improve such environment, obtaining support from METI, Agency for Cultural Affairs, and other relevant ministries and agencies, a loose international cooperation organization is established to gather many right holder organizations from different countries (and governmental agencies of each country as observers) to share and exchange the latest information, aiming to narrow any gaps.
- Appeal the importance and necessity of piracy countermeasures and contents protection widely throughout the world, and rectify the current stage where awareness and priority is lower than other crime countermeasures.

5. Problems surrounding consumers

- **Impact of the development of a digital network and the diffusion of high-performance devices**

  Problem 1 From domestic crime to global crime
  Problem 2 From organized crime to individual crime
  Problem 3 Enjoy videos using smartphone from birth, like Generation Z
  Problem 4 Crime such as copyright infringement becomes more familiar; view casually

Reasons for viewing “Fast Movies"

Age 20, female Fuji Television "Mezamashi TV" on air June 24

It tells about the film you wanted to see but not to the extent of going to a theater in an easy-to-understand manner from the beginning to the end.

Age 21, university student, male TBS "Sunday Japon" on air June 27

I check it briefly for about 10 minutes and talk to my friends as if I've seen the entire film.

Age 19, female Fuji Television "Mezamashi TV" on air June 24

You know, it takes like 2 hours to watch a film. I often use for foreign films I am a bit interested in, only to check how they end.

Age 16, student, female TBS "Sunday Japon" on air June 27

I view occasionally. I don't have much time for watching films, and it's good you can watch them in a short time.

In 30s, company employee, male TV Asahi "Houdou Station" on air June 24

I can't watch a film for two hours during commuting, so I try viewing those that show a glimpse. I'm personally OK with spoilers.

University student, male TV Asahi "Houdou Station" on air June 24

I‘ve seen several times on YouTube. Because it briefly explains the story, and you can understand what the story is about even if you don’t go and watch the film. Sometimes it becomes a topic of talk with my friends.

(2) Publicity enlightenment program by CODA and ACA

① Name "Hello Kitty" of Sanrio Company, Ltd. as an ambassador for copyright publicity

- Diffusion and enlightenment video "Let's respect copyright! " and "I don't like pirated contents!" are uploaded on YouTube (Japanese/English)
- Creation of poster “Let’s respect copyright” (wins the “Best Poster Award” for publicity activities within the Ministry of Education, Culture, Sports, Science and Technology)
- Copyright quiz is released online (http://www.coda-cj.jp/org_new/)

② Diffusion and awareness-raising video "Copyright with Bun-chan," by the Agency for Cultural Affairs character "Bun-chan"

- Video with English narration and English, Vietnamese, Indonesian, and Thai subtitles is uploaded on YouTube

③ Newly released manga "STOP! Piracy"

- With cooperation from the Publishing Press Center, 16 new manga works created across the borders of publishing companies are released online (http://coda-cj.jp/enlightenment/manga.html)

④ Video on campaign against infringing products,

- “Protect the original! (by Non, actor)“ was uploaded on YouTube (transmission period finished)

- "Quiz: Which is the real one? (by YouTuber Yuna and announcer YOSHIDA Hisanori)" was uploaded on YouTube (transmission period finished)

(2) Publicity awareness raising program by CODA and ACA

⑤ Enlightenment video "STOP! Pirated Edition" Sergeant Frog x NO MORE Film Thieves is provided as theater ads

- With the cooperation by "Let's go to the Theater! " Committee, collaboration enlightenment video by Sergeant Frog and NO MORE Film Thieves ["STOP! Pirated Edition" Sergeant Frog x NO MORE Film Thieves] is released from December 24, 2021 (Fri) in 75 theaters in total in Kanto Region.
- The video can be watched on screen at theaters before the film starts and is also uploaded on the CODA official YouTube channel.
- Through collaboration with Sergeant Frog and “NO MORE Film Thieves,” well-known characters in theaters throughout Japan, convey the message of “willfully downloading pirated-edition manga, anime, film, or music knowing it is pirated is a crime."