



BIC Brunch: Rights - A Key Part of the Publishing Value Chain

30th June 2022, 2 pm BST

#bicbrunch@bic1uk

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FADDEL[®] LICENSING
RIGHTS
ROYALTIES

Book Industry Communication - making the book supply chain more efficient

Some housekeeping before we get started

- 🕒 **Questions for speakers:** Questions will be invited after the presentation and panel discussion have finished. Please use the “Questions” or “Chat” boxes to submit your question to the organisers.
- 🕒 **Recording:** This event is being recorded for BIC to use in its marketing and to allow people who are unable to attend this session today to still enjoy the event later. Unless invited to speak, attendees will not be identified in the recording.
- 🕒 **Twitter:** #bicbrunch @bic1uk
- 🕒 **BIC is a neutral members organization**

What is a BIC Brunch?

- 🕒 Informal & short (60 – 90 minutes) & online
- 🕒 Dedicated to book industry supply chain topics, successes, interests or concerns
- 🕒 Unique opportunity to gather industry knowledge from experts and ask questions
- 🕒 Recorded and shared online

Find out more:

- 🕒 Green BIC Brunches
<https://www.bic.org.uk/227/BIC-Green-Brunches/>
- 🕒 Schedule of BIC Brunches:
<https://www.bic.org.uk/99/What-are-BIC-Breakfasts-and-BIC-Brunches?/>
- 🕒 BIC's YouTube Channel:
<https://www.youtube.com/channel/UCEbQhwp9eweNkfBY1Ln0rTQ>

Agenda

2.00 pm

Welcome & Introduction - Karina Urquhart, Executive Director, BIC

2.05 pm

A Word from our Sponsor

2.10 pm

The Rights Ecosystem

Paul Gore, EVP and GM, Professional Services, FADEL

2.25 pm

A Publisher's Perspective

Amy Joyner, Rights & Licensing Director, Kogan Page

2.40pm

The Rights Management Challenge

Clare Hodder, Director, RightsZone

2.55pm

Question and Answer Session

3.30pm

Wrap-up and end

Who we are



BIC (Book Industry Communication Ltd) is at the cornerstone of the book industry, creating standards, delivering best practice and improving margin.

If you are in the book industry supply chain you need to be a member of BIC.

www.bic.org.uk

Book Industry Communication - making the book supply chain more efficient



A word from our sponsor, and first speaker...

 **Paul Gore, EVP and GM of Professional Services, FADEL**

FADEL[®] LICENSING
RIGHTS
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FADEL[®]

LICENSING
RIGHTS
ROYALTIES

Empowering Publishers to Manage Rights,
Content Permissions and Royalties



FADEL SOFTWARE SOLUTIONS FOR PUBLISHERS



Rights Management & Royalty Accounting

Calculate royalties and generate statements that integrate with Financials



Rights Sales

Increase revenue opportunities by licensing content to partners for subdistribution



Rights & Permissioning

Design master content, acquire rights and manage teams, tasks & workflow to compose content



Statement Portal

Deliver excellence in the author experience with online statements and automated communications

The Rights Ecosystem

Paul Gore, Professional Services, FADEL
June 2022



Introduction to The Rights Ecosystem

Agenda

- Introduction, Key points
- Rights Model
- Rights Transactions
- Rights Ecosystem Scenarios
- Summary

The Rights Ecosystem

Introduction, Key Points

Key Points about Rights

Why I Care About Rights?

- “We are not in the book business we are in the rights business.”
- “Licensing Out as alternate routes to market”
- “Everything we do derives from rights, everything is about rights; rights are there from inception; from point of licensing book to the initial publisher.”

How do Rights Work? Let's Make a Deal

- “Everything we do involves rights; without rights we have nothing to publish”
- “Anyone can acquire rights - editors for foreign publishers; academics looking for course materials; journalists for serialization rights; software developers; film producers; etc”

How do we talk about rights?

- Rights IN (acquiring rights) vs Rights OUT (licensing rights)
- Importance of a rights vocabulary, IP + exclusivities + restrictions

How do we manage rights?

- Wise to get a rights system in place; as data-rich as possible
- Include detail on submissions and rejections and of course all deals made
- Interrogate the data for better decision making - on acquisitions and targeted licensing out

Introduction to The Rights Ecosystem

Key Points for Today

- Rights are the foundation for publishing
- Your contracts/deals with authors create a rights 'inventory'
- The products you create are based on rights you've acquired or created
- Other content in your products must align with the same rights
- Knowing your rights helps you know what can be licensed, built, and sold
- Licensing is much more than 'found money'
- Well understood and well managed rights are a valuable asset

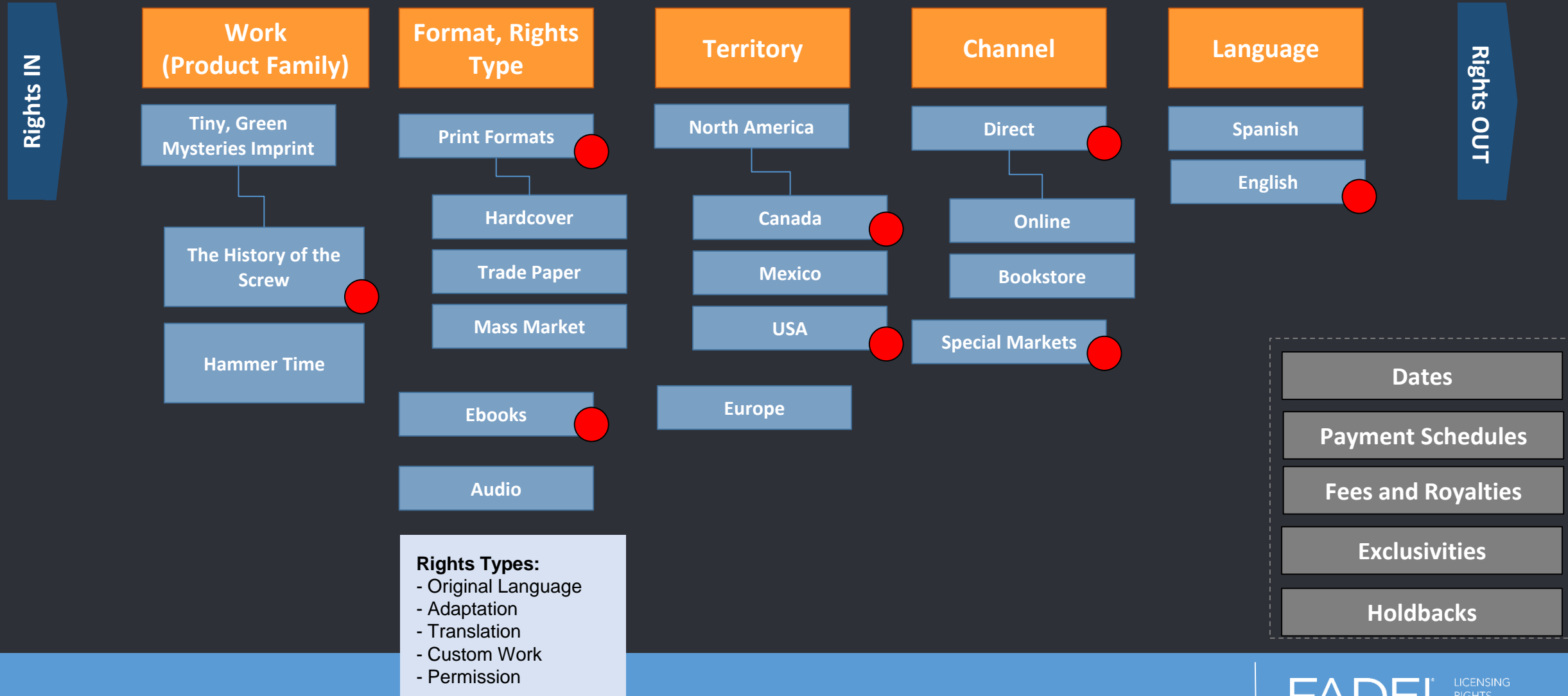
The Rights Ecosystem

Rights Model

The 'Rights' Ingredients for Publishing

	IP: Intellectual Properties <i>"The Idea", Work, Article</i>	Content / Assets <i>Quote, Excerpt, Image, Photo, Chart, Audio Clips, Video Clips</i>
1 How can I USE it?	One or more Products are created from an IP... What types of products or formats?	A variety of Content/Assets may be included in or added to a Product. Where can they be placed, in what context
2 How can I CHANGE it?	Can other IP can be derived from this (adaptations, translations to specific languages, etc)?	How may I alter or edit the asset?
3 WHERE can I use it?	In what regions, territories, countries, states can this IP and/or Content/Assets used?	
4 How can I SELL it?	How the IP and/or Content/Assets can be used as part of a product or licensed to others within different markets or channels?	
5 WHEN can I use it?	During what time frame may this IP and/or Content/Assets be used?	

Typical Trade Publishing Rights Model



The Rights Ecosystem

Rights Transactions

MANAGING THE LICENSING LIFECYCLE



Let's Make a Deal!

Book Deal with novelist Stefan Roy and Tiny, Green & Co. Publishers to produce Stefan's next two books.

- An advance on signing of \$100K, with additional advances of \$50K for manuscript acceptance (for each book) and \$75K upon publication
- Publisher may produce Hardcover, Mass Market, and Ebooks and sell in US and Canada, in English Only - no audio rights, no translation rights
- Royalties will be 8%, escalating to 10% after the first \$100K in sales
- Subrights earnings will be shared 50/50 with the author.
- Stefan earns a bonus of \$250K if either book reaches the NYT Bestseller List.
- Joint Accounted, no royalties paid until the amounts from both titles exceeds the advances paid on both.



COMPLEX AUTHOR CONTRACTS



RIGHTS Transactions

The 'Deal' is the building block for any Rights transaction

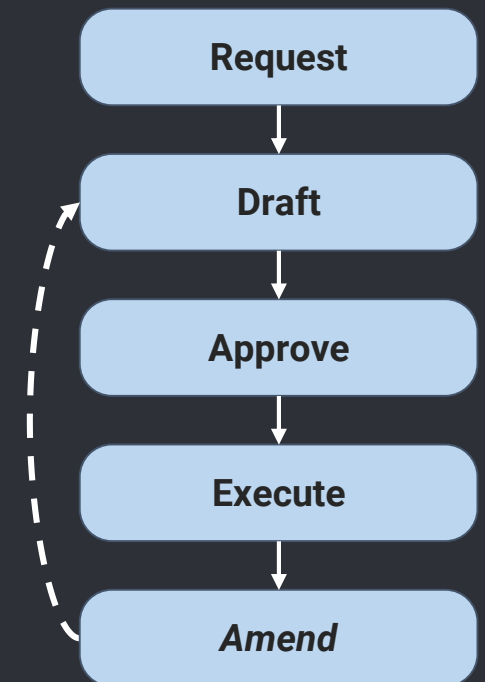
Deal Terms Should be Organized Consistently

Acquiring (Rights In)	Licensing (Rights Out)
One or more Rightsholders	One Licensee
Rights Acquired (any combination of): <ul style="list-style-type: none">- IP(s) or Asset(s)- Product Types/Formats, Rights Types, Languages- Channels, Territories- Dates, etc	
Deal Terms (can be tied to any combination of rights): <ul style="list-style-type: none">- Fixed Fees, Advances, and other Payment Schedules- Royalty Calculation Rules, Escalators, Tiers, Splits- Advance Allocation Rules- Exclusivities, Special Terms	

Contracts Reflect Deal Terms



Manage the Workflow



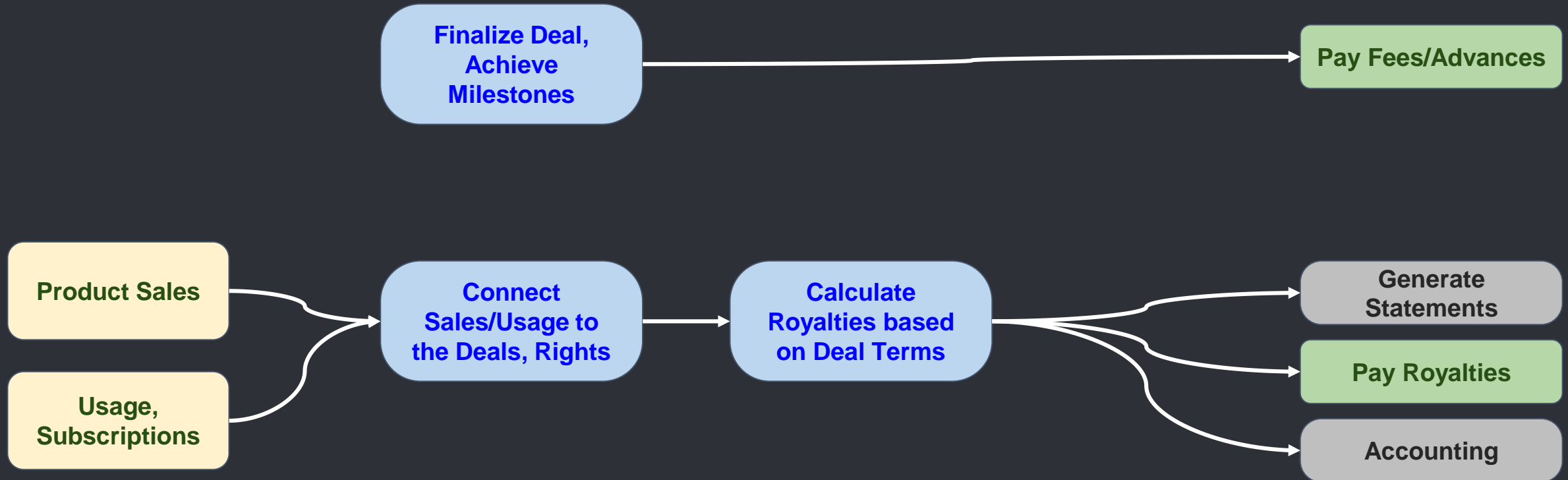
RIGHTS IN Transactions - Paying Authors/Rightsholders

Processing of Sales and Subscriptions Ties into the Rights and Terms

External Info

What Publishers Must Manage Based on Rights

Outputs



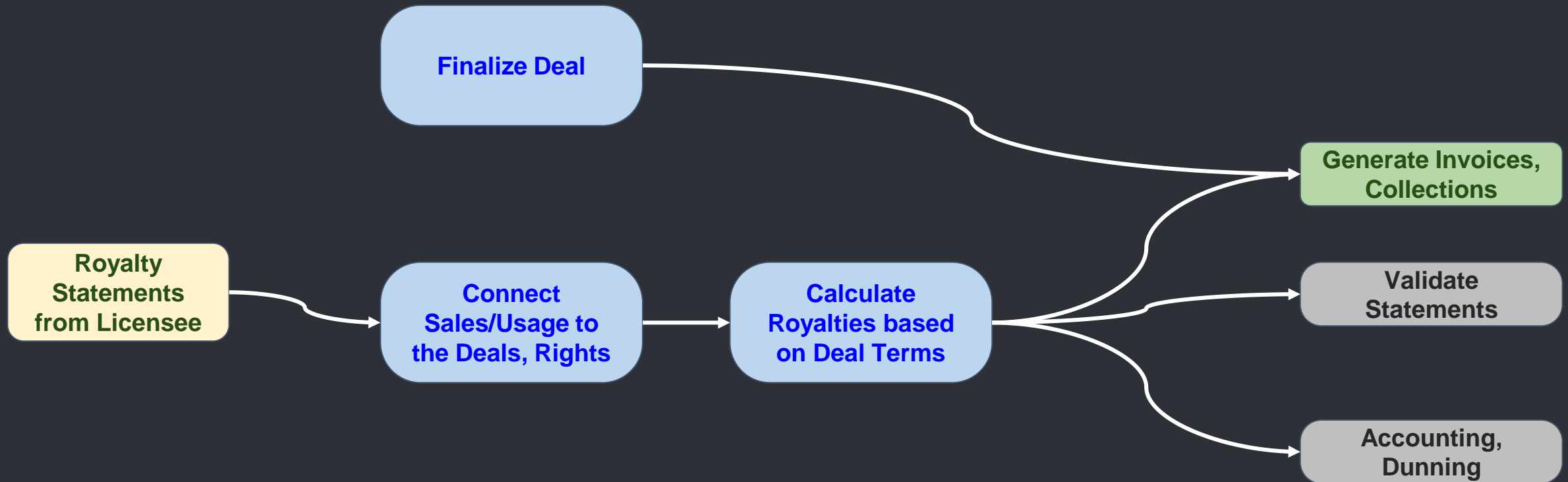
RIGHTS OUT Transactions - Collecting from Licensees

Processing of Licensing Ties into the Rights and Terms

External Info

What Publishers Must Manage Based on Rights

Outputs



The Rights Ecosystem

Common Scenarios Where Rights is THE Core Component

The Rights Ecosystem

Scenarios and Business Cases

- Rights Acquisition
- Further Product Development
- Content Permissioning with Rights Awareness
- Extending Reach via 'Licensing' (Subrights Sales)
- Usage Models/Subscription
- Financials

Rights Ecosystem Scenarios

Rights Acquisition - 'Author Agreements'

- At their essence, Publishers convert IP (Ideas) into Products (Books, etc) and leverage their market expertise and influence to maximize sales.
 - Publishers acquire rights to create different types of product(s)
 - Authors and their agents grant rights based on the typical types of product a publisher creates and the markets they serve
- Rights and compensation must be flexible to account for traditional and emerging business models
- Complexity and 'special deals' can quickly overwhelm the support groups - consistent rights management, automation, and standards take out the friction.

Rights Ecosystem Scenarios - Building Products

Benefits of Integrating Rights Awareness to Content Selection

- **Compliance** – This is the basic objective of any rights ecosystem. It involves knowing the rights you have, how they are defined, quantity limitations and timeframe restrictions. A rights managed process will proactively protect from the misuse of licensed content.
- **Traceability** – Know the connection between the products you create and the content components that make it up. Having this information available, combined with knowing their “already acquired” rights, will make it possible to improve discoverability, maximize reuse and minimize costs.
- **Speed to Market** – By connecting rights to content development, the process of clearance can occur upfront during content planning and therefore eliminate the need for an expensive and time-consuming process to ‘clear rights’ for products after the fact.
- **Reduce Costs** – By moving rights clearance earlier in the lifecycle you shorten production, improve flexibility and ultimately reduce overall costs through efficiency gains and by eliminating unnecessary licensing of rights that you already have.

Rights Ecosystem Scenarios

Further Product Development

- Rights awareness across the organization is key to the ideation process for developing new products for new markets.
- Armed with Rights info, sales and rights licensing folks can listen to customers in the marketplace and come up with a VARIATION on the original product -- something not anticipated in the original deal.
 - Is your acquisition contract flexible enough to allow you to create a new product?
 - Did your original contract include formulas/rates for spin-offs and or pro rata rates for combining parts of the original IP with some other IP?
 - Do you have a way to swiftly respond to the opportunities with the IP creators (authors!) and their agents to create arrangements ?

Rights Ecosystem Scenarios

Extending Reach via 'Licensing' (Subrights Licensing)

- Maximize rights sales by understanding where there are unexploited rights.
- Prevent rights sales where permissions are not in place for all content from all authors and contributors
- Rights sold align from end to end to allow income to pass through to all participants based on negotiated rates
- Rights info makes it possible to manage alerts and recoupment for deal violations such as sales into unapproved territories or inaccurate calculations.
- Knowing your rights makes it possible to fully develop channels

Rights Ecosystem Scenarios

Usage Models/Subscription: Challenges, Best Practices

- Understand whether existing IP contracts grant rights to include the products in a subscription
- Define compensation models that govern how authors are paid
- Determine how to manage usage for subscription products
- Produce royalty statements that connect to the products sold

Rights Ecosystem Scenarios

Financials: Balance Sheet, Tracking to P&Ls

- Rights Revenue is generally profitable at a higher rate than sales of print or ebooks (due to low COGS) - a positive effect on P&Ls.
- Rights carry an asset value. Knowing exactly what the company is holding in it's IP portfolio along with historical and projected rights licensing revenue can significantly increase the valuation of a publisher.
- Rights Revenue contributes to advance earnouts on title P&Ls and can help reduce write offs on advances.

The Rights Ecosystem

Summary

Summary

Publishing Industry Focus Areas

- **Simplify!**

Rights and Royalties terms are frequently more complex than needed

Avoid multiple systems as it introduces levels of complexity and inconsistency

- **Rights/Metadata Standards enable clear communications**
(including statements standardization)

Start within your organization

Bring your work to the BIC industry groups and committees

- **Think out of the box!**

Publishing is not just books, our world is evolving and we need to look forward to new business models, new ways of interacting. Standards will reduce friction in this evolution.

Over to our second speaker...



**Amy Joyner, Director of Rights and Licensing at
Kogan Page**

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Amy Joyner

Rights & Licensing Director

Kogan Page



Innovation and Best Practice
for Business Success
Established 1967

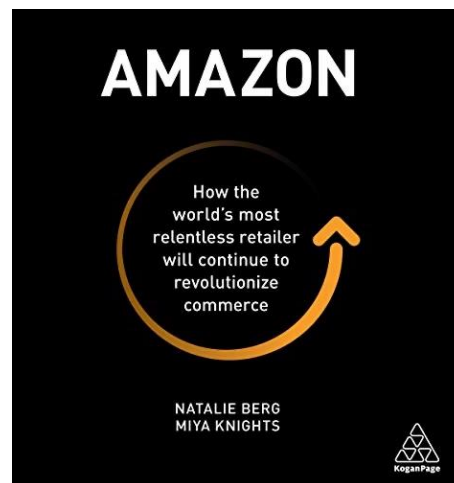
About Kogan Page

Kogan Page is the leading independent global publisher of business books and content with over 1,200 titles in print.

We create opportunities for authors, professionals, academics, students, organizations and professional associations by offering a range of products and services, from books and ebooks to interactive online courses and subscription access to our books.



Acquisition, exploitation and protection of rights

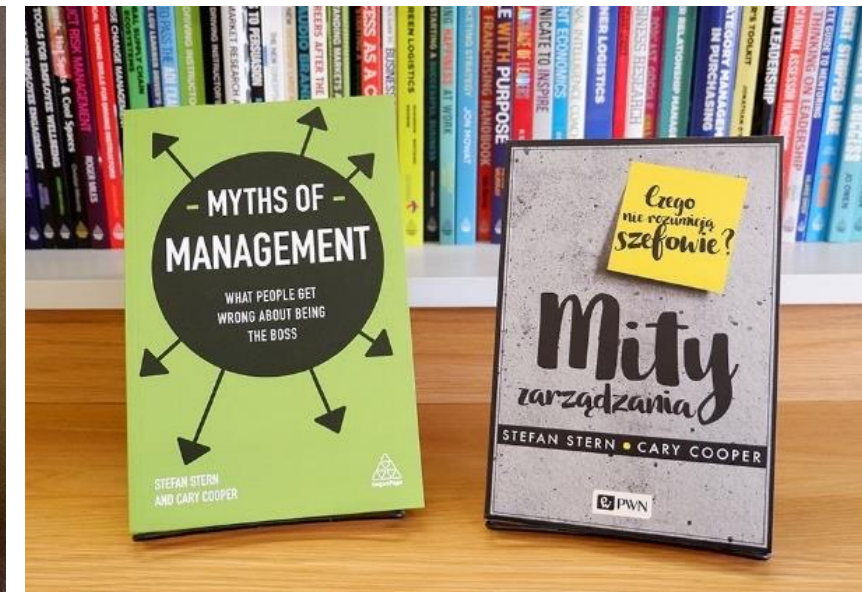


Rights selling in practice



Why sell rights?

- Additional income
- Extending author reach and brand
- Ensure content reaches new audiences





The importance of protection

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Dishoom cookbook suffers piracy attack

Published May 13, 2020 by Ruth Comerford

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London publishing staffer arrested and accused by FBI of stealing manuscripts

Published January 6, 2022 by Sian Bayley

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A London publishing staffer has been arrested and charged by the FBI with allegedly stealing hundreds of book manuscripts over several years.

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Digital Children's Retail Rights Books

Home > News > Child, Grisham, PRH and Amazon awarded \$7.8m in e-book piracy lawsuit



Child, Grisham, PRH and Amazon awarded \$7.8m in e-book piracy lawsuit

Published December 29, 2021 by Ruth Comerford

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Amazon, Penguin Random House and authors including Lee Child and John Grisham have been awarded \$7.8m (£5.8m) in damages, after suing pirate e-book sites in Ukraine.


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▼ DOW	38,236.47	-170.84	-0.47%
▼ S&P 500	4,696.05	-4.53	-0.10%
▼ NASDAQ	15,080.87	-19.31	-0.13%

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The US economy in 12 charts

From jobs to GDP, these key indicators provide a comprehensive, up-to-date picture of the US Economy.

LATEST

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By Niamh Kennedy, CNN

Updated 1809 GMT (0209 HKT) January 5, 2022

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Culture > Music > News

Taylor Swift to face trial in 'Shake It Off' copyright infringement lawsuit

Swift's lawyers claim that the concept of players playing and haters hating is 'public domain cliches'

Peony Hirwani • Friday 10 December 2021 05:06 • [Comments](#)

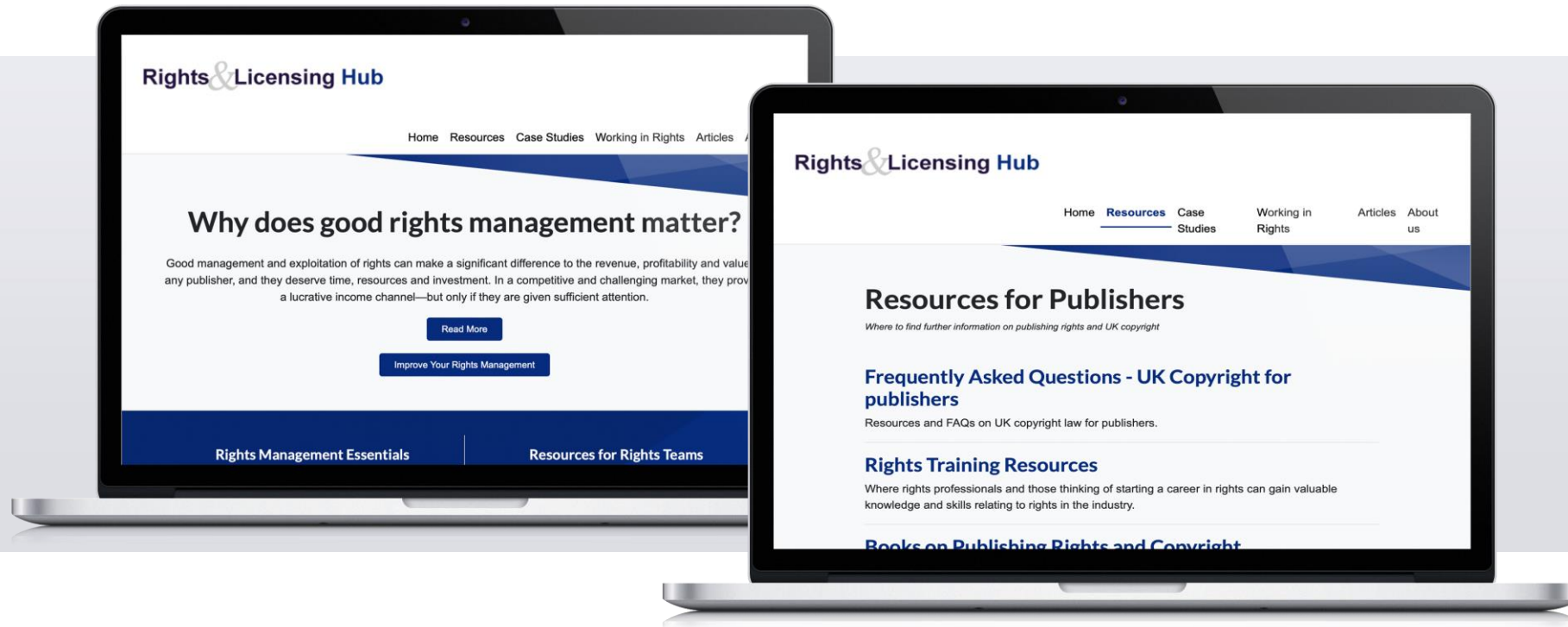
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Systems and standards

- Standards are vital in rights selling
- Systems will streamline rights and ability to prove ownership
- Integration with the business is key



Rights knowledge – not just for rights staff



Key Contacts

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Over to our final speaker...



Clare Hodder, Director, RightsZone

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Rights: A key part of the value chain

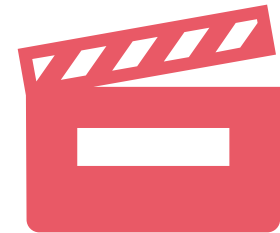
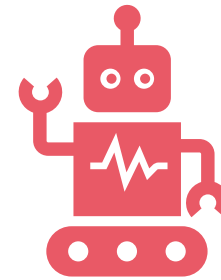
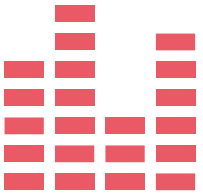
The rights management challenge



Clare Hodder
Director
clare:@rightszone.co.uk



Rights + Licensing = endless possibilities



The forgotten part of the value chain



Profit

Author relations

Establishing New Markets

© Compliance

Backlist champions

Brand ambassadors



A strategic approach to rights management



commissioning



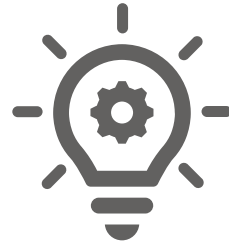
production



sales



marketing/
design



business
development



contracts



rights out
(licensing)



royalties



The complexity of rights management



Multiple Products

Multiple Assets per Product

Multiple rights holders



Getting rights wrong



Infringement



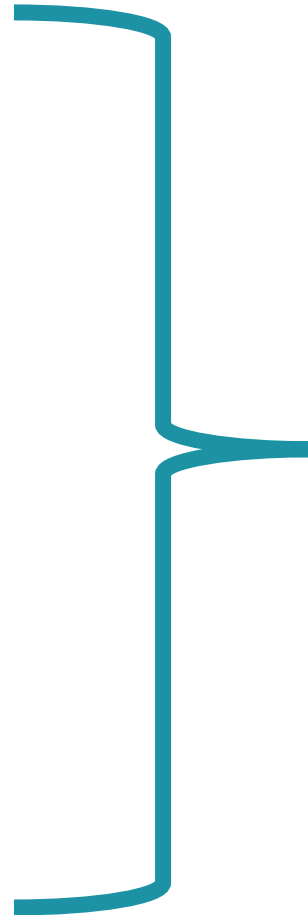
Reputational
damage



Missed
Opportunities



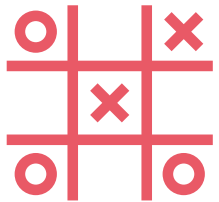
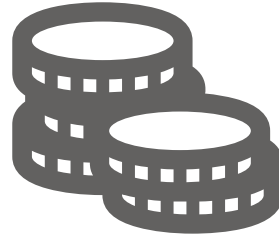
Devaluation of
business



= Lost Revenue



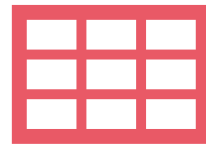
Rethinking rights management



Strategic
approaches



Flexible
systems



Metadata
Standards



Rights
Education



Collaboration
with key partners



The future of rights management

More efficient

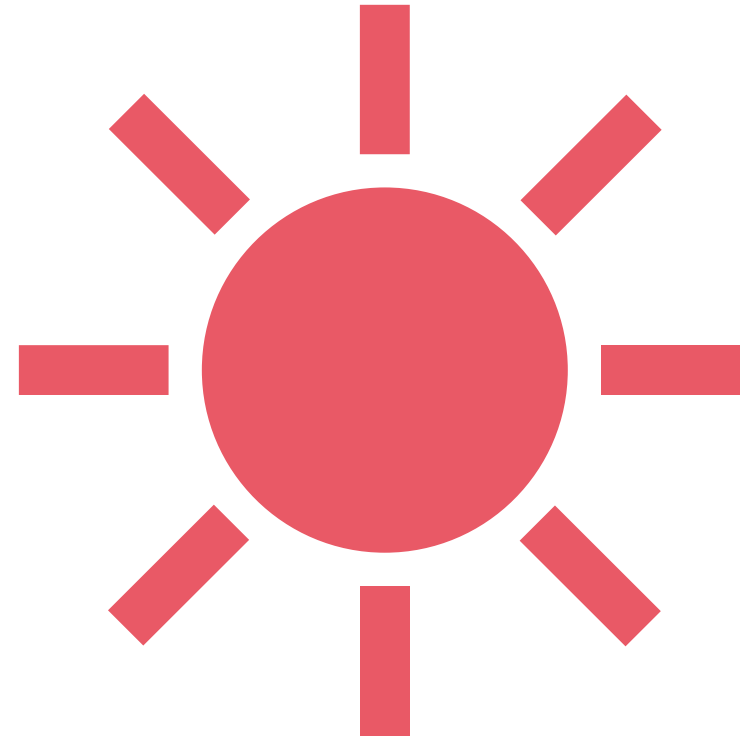
Increased clarity

Future proofed

Increased Revenue

Better IP protection

A thriving copyright
framework



Thank you

Additional Information:

Rights & Licensing Hub

<https://www.rightsandlicensing.co.uk/>

Rights Management Essentials Training series

<https://pls.thinkific.com/>

BIC Rights Education webinars

https://www.youtube.com/playlist?list=PL_yl6l18-hlujE6twkNtCS8CqSQ8iLSsZ

Clare Hodder

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www.rightszone.co.uk

@rightsgeeks



Q&A Session

Over to you, our attendees.

Please put any questions you may have in the
“Questions” or Chat boxes

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A recording of this event will be posted to BIC's YouTube channel.

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