

# Mokuhankan

Designer Contract and Royalty Agreement

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# Mokuhankan - Designer Contract and Royalty Agreement

*(Note: this agreement is being drafted without legal assistance. It uses simple language, and it is intended that the obligations of each party will be laid out clearly and unambiguously. The intention is to avoid misunderstandings, and to delineate and protect the rights of each party.)*

## 1) Definitions

- a) 'Publisher' - refers to the enterprise operating under the name of Mokuhankan. This is a personal enterprise, completely owned and controlled by David Bull.
- b) 'Designer' - refers to [ ], who is here submitting a Design to be used by Mokuhankan for publication in the woodblock format.
- c) 'Design' - refers to the item of original artwork being submitted by the Designer, entitled [ ], a reproduction of which is included with this agreement as Appendix A.
- d) 'Publication' - in the context of this agreement means the act of turning the Design into a woodblock print, through the means of carving and printing, and then offering the finished prints for sale.

## 2) Main Agreement

- a) Publisher is granted by the Designer license to use the Design for the Publication of a woodblock print based on the image.
- b) The Publisher agrees to accept the Design for Publication, to use his best efforts to create a woodblock print from it, and to offer such woodblock print for sale and distribution.

## 3) General Details

- a) Designer retains at all times rights of ownership in the Design.
- b) This agreement is 'non-exclusive', and the Designer remains free to sell, license, or otherwise distribute his Design in other places.
- c) Notwithstanding '3b' above, the Designer agrees that he will not sell, license, or otherwise distribute his Design to other parties with the intention of producing woodblock prints, unless such production is otherwise approved by the Publisher.
- d) The Designer represents to the Publisher that he is the sole owner of rights to the Design, and that he is free to offer it to the Publisher for Publication.
- e) The woodblock print based on the Design will be produced in multiple copies, and no artificial limits will be placed on the quantity produced (e.g. no 'limited editions')
- f) None of the prints produced based on the Design will carry any sort of 'Edition Number'.

Each print that passes Publisher's inspection upon receipt from the printer will be embossed with the Mokuhankan seal before being offered for sale and distribution.

g) Designer and Publisher are to agree that production of the print will be done within the natural limitations of the woodblock medium, and that the resulting print will not be a 'pixel-perfect' rendition of the Design.

h) At the point that carving of the blocks is substantially complete and test printing begins, proof copies will be taken from the blocks. Publisher agrees to involve the Designer in study of these proofs and in consultations on the appearance of the print to be produced (if the Designer so wishes). Publisher agrees to act in good faith on suggestions received from the Designer, but retains the right to make the final decision on the directions to be given to the printer for production of the copies for sale and distribution.

i) Publisher will credit the Designer as creator of the Design, on all materials produced that reference or reproduce the Design, or the Print made from the Design.

#### **4) Royalty**

a) Publisher agrees to pay Designer a royalty for use of the image. Such royalty will be a fixed amount per sheet published. (Actual amounts of all royalties, fees, etc. are described in Appendix B)

b) Designer's royalty will be based on the number of saleable copies received by the Publisher from the printer.

c) No royalty will be payable on spoiled and unsaleable copies received from the printer, or on any copies produced for proofing purposes.

d) No royalty will be payable on any complimentary copies supplied to the Designer for his own use (see item '4f' below).

e) Royalty will be paid on one of the following two schedules (strike out the one not applicable, and initial the one to apply):

e2) Total royalty for any particular 'batch' of prints will be paid by the Publisher to the Designer within 30 days of Publisher's receipt of the batch from the printer.

e3) Accumulated royalty for all copies sold by the Publisher in each three month period will be paid to the Designer in a lump sum at the end of each calendar quarter.

f) Publisher agrees to supply the Designer [     ] complimentary copies of the completed print. Any further copies requested by the Designer must be paid at Publisher's standard wholesale price.

#### **5) Ownership of Woodblocks**

a) Publisher will be responsible for all expenses relating to the production of the set of blocks with which the print will be produced, and will retain ownership and possession of these blocks (note exception in 5b below).

b) In those cases where the Designer supplies a set of blocks for production of the print, an additional royalty, equivalent to the Carver's royalty, will be paid to the Designer for use of these blocks to prepare editions of prints for sale and distribution (see Appendix B).

c) In those cases where the Designer supplies a set of blocks for production of the print, the Designer will retain ownership of these blocks, but will grant the Publisher exclusive rights to use them for the production of woodblock prints.

## **6) Duration of this Agreement**

a) At the time of production, a first printing will be produced from the blocks and offered for sale and distribution. Should business conditions permit - based entirely on the judgement of the Publisher - further printings will be made from the blocks and offered for sale. The Publisher warrants that such subsequent printings will not differ in appearance substantially from the first printing.

b) Designer's royalty will be calculated and paid on any and all subsequent printings at the same rate and terms as the initial printing.

## **7) Miscellaneous terms**

a) Publisher agrees to open his records for inspection by the Designer or his designated agent, at reasonable notice, to allow for verification of the royalties due to the Designer.

b) Publisher is granted by the Designer free license to use the image in other formats, related to the production and promotion of the work (publicity information, publication on the Publisher's web site, catalogues, advertising material, etc.)

## **8) Signatures**

David Bull, Publisher [ \_\_\_\_\_ ]  
(Signed)

Address: Seseragi Studio, Nagabuchi 8-4-5, Ome City, Tokyo JAPAN

Date: [ \_\_\_\_\_ ]

(Name here), Designer [ \_\_\_\_\_ ]  
(Signed)

Address:

Date: [ \_\_\_\_\_ ]

## Appendix A: Image

(Attach sample of image)

# Appendix B: Royalty Calculation

## 1) General Principles

In the spirit of the traditional system of woodblock printmaking, in which four separate people are involved in the artistic aspects of the production of the prints, it is intended to create a system of arranging compensation for the four such that their efforts will be rewarded in direct relationship with the success (or failure) of the print in the market.

To that end, the Designer, the Carver, and the Printer will each be paid for their work on a 'per sheet' basis. (The Publisher, being the organizer and sponsor of the project, will of course not be included in these calculations, but will receive profits - or sustain losses - as determined by the course of business.)

The single most important determiner of the cost of production of a print - and the most inflexible one - is the Printer's fee, so this will be taken as the base for calculation of royalties to be paid to the other parties.

As both the Designer and Carver will be making a one-time contribution that will be re-used multiple times during the production of subsequent editions, without amendment or alteration, it is only fair that their royalty is lower than that of the printer, who has to do the same work for every single sheet produced, no matter how many are made. At present, Mokuhankan is going to set the Carver's fee at 50% of the Printer's fee, and the Designer's royalty at the same level, 50% of the Printer's fee.

([David's Note] It is worth noting that carvers have never been paid this way in the past; they have always been paid a flat fee for the work on any particular block set, with no subsequent payments being made for future editions being pulled from those blocks. Whether or not this percentage-based fee is actually going to 'fly' in practice - whether any of the traditional carvers will agree to it - remains to be seen.)

Based on discussion with printers with considerable experience working for other publishers in this field, it is anticipated that the Printer's fee will fall in the range of 15~20% of the price of the completed print.

The Printer's fee will - of course - be calculated afresh for each new print that goes into production. Calculation will involve such things as the overall dimensions of the print, how many impressions are to be taken, and the presence/absence of particularly difficult or time-consuming procedures.

## 2) Examples of royalty calculation

a) Prints similar to the 'Crow on Shrine Gate' in the Mokuhankan catalogue.

- shikishiban size
- moderate number of impressions (in this case 8~9)
- no complicated 'special' impressions

Printer:	1,200	(15% of target price)
Carver:	600	
Designer:	600	
Washi, packaging:	600	

Giving a total 'raw' production cost of 3,000 yen.  
Target price: 8,000 (5,280 wholesale at discount of 33%)

b) Postcard size prints, similar to the 'Hokusai Turtles' in the Mokuhankan catalogue.

Prints of this type are made 2-up, with two prints on one block (either the same design carved twice, or similar designs side-by-side). The printer receives about the same amount - 1,200 yen - but the target price is lower:

Printer:	1,200	(20% of target price)
Carver:	600	
Designer:	600	
Washi, packaging:	600	

Giving a total 'raw' production cost of 3,000 yen.  
Target price: 6,000 (for two prints) (4,800 wholesale at discount of 20%)

c) Shin-hanga type prints.

There are going to be wide variations in this type, everything depending on the printer's fee (and thus on number of blocks, impressions, etc.), but here's a stab at what one might look like:

Printer:	3,000	(15% of target price)
Carver:	1,500	
Designer:	1,500	
Washi, packaging:	1,000	

Giving a total 'raw' production cost of 7,000 yen.  
Target price: 20,000 (12,000 wholesale at discount of 40%)

## 3) Royalty for the print covered by this agreement

a) Mokuhankan offers to the Designer a royalty of [            ] per sheet published, to be paid as described under clause 4e above.