

Mechanisms of control in online fanwork sales: A comparison of Kindle Worlds and Dlsite.com

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Summary:

Selling fanworks for money is an activity with a long history in many fan cultures worldwide. The U.S.-based site Kindle Worlds and the Japan-based site Dlsite.com are two of the most well-known platforms for fanwork monetization. However, a close analysis of the two services reveals that although they ostensibly perform the same function, there are stark differences in the way they approach fanwork sales. These differences are particularly evident when it comes to who gets to control how fanworks sales happen – from what kinds of works can be offered to how they are priced and who owns the copyright to them. This article compares how Kindle Worlds and Dlsite.com allocate control over fanwork monetization, tracing differences back to the locally developed fan-industry relations that lie behind both platforms. I argue that both sites have prioritized the needs of different stakeholders in constructing their fanwork sales systems.

Keywords: Fan culture, fan fiction, dōjinshi, Japan, United States, internet, fanwork monetization, Amazon, Kindle Worlds, Dlsite.com

Introduction

Selling fanworks for money – who does it, why they should (or should not) be doing it, what money can be made, and who gets to control where that money goes – is a hot topic today. The 2012 publication and commercial success of *Fifty Shades of Grey* led to an explosion of media interest in fan fiction (Jones 2014), and of corporate interest in commercializing fan activities in general and fan fiction in particular (Morrissey 2013). One of the best examples of this interest is Kindle Worlds¹, a fan fiction sales platform launched with much fanfare in 2013 by U.S. distribution and publishing giant Amazon.com. From the day it was announced, Kindle Worlds has enjoyed a great deal of attention from English-language online media outlets as well as from academic fan studies.²

This academic fascination with Kindle Worlds follows the increasing focus of English-speaking fan studies scholars on the role that money plays within fan activities, particularly when it comes to attempts by commercial entities, such as corporate copyright holders, to monetize fan activities like the writing of fan fiction. Simultaneously, there has been increasing scholarly attention on fans outside the English-speaking, online-based, fan fiction-centric fannish sphere that has long the focus of most English-language fan studies research. Such studies have revealed that the familiar ‘gift culture’ framing of fan studies needs complicating and extending, as it is becoming clear that non-English-speaking fans, fans who participate in offline activities like conventions, fans who exchange their works on platforms that have not yet been given much academic scrutiny³, and fans who create other media like fan art or cosplay, often involve money in their exchanges with other fans. The arrival of *Fifty Shades of Grey* provided an extra impetus for English-language fan studies to develop an increasingly sophisticated understanding of the roles that money can and does play in fan activities. As a result, studies of fan-industry relations have turned to the question of how fan activities like fanwork creation are being or could be commercialized, and who benefits the most from such commercialization. Starting in 2013, Kindle Worlds sparked discussion about the practical implications of explicitly legal fanwork sales systems (Tushnet 2014), and about how such a service can or cannot be aligned with the beliefs many English-speaking fans hold about intellectual property and creativity (Stanfill 2013). Kindle Worlds has also been held up as an example of how industry-centric initiatives for fanwork monetization can be hobbled by copyright holders’ perceived eagerness to control fanwork sales by fitting them into a commercial publishing model, even when such a business model is not well-suited to fanworks exchange (Hellekson 2015).

Even so, transcultural studies that look beyond English-speaking spaces have also revealed that Kindle Worlds may not be representative of the fanworks sales systems that fans around the world use today. Fanworks exchange in Japan, for instance, grew to its current size largely through sales of print fanzines (*dōjinshi*) via conventions (Lam 2010; Tamagawa 2012) and brick and mortar stores. The infrastructure of this fanwork sales-centric fan culture – conventions, fanzine printing companies, online communication hubs and so on – was often initially set up by fans in a non-profit context. Companies wanting to profit from fan activities moved in to commercially develop this infrastructure, patterning their business models and ways of interacting with fans after the systems that fans had built (Noppe 2014, 81-136). Print fanworks are still at the heart of Japanese *dōjinshi* culture, but online exchange of digital fanworks – free and for pay – is now growing much faster than the exchange of print fanworks at conventions and stores (Yano 2012, 79). While countless digital fanworks are shared for free on the Japanese internet through sites like pixiv⁴ and Tinami,⁵ large numbers of fanworks in various digital formats are also sold through hundreds of different online stores, some small and run by individuals, others multi-million-dollar businesses. The largest player in Japan is DLsite.com,⁶ founded in 1996, which offers over 137,000 digital works ranging from *dōjinshi* to games to prose fan fiction. Amazon’s Kindle Worlds is both much younger and much smaller in terms of the number of works

offered (less than nine hundred at the time of writing). Still, because of Amazon's dominant position in the field of digital media distribution and because of the relatively niche position of fanwork sales in English-speaking fan culture, Kindle Worlds is by far the most discussed system for fanwork sales on the English-speaking internet today (Morrissey 2013; Hellekson 2015, 127).

It is no stretch to say that Kindle Worlds represents the standard for digital fanwork sales on the English-speaking Internet today in the same way that DLsite.com represents the standard for digital fanwork sales on the Japanese-speaking Internet. Kindle Worlds and DLsite.com appear to have the same purpose at first sight: to sell digital fan-created works. Yet DLsite.com and Kindle Worlds are rooted in two very different traditions of fan-industry relations and interpretations of copyright surrounding fanworks. Kindle Worlds was founded in a climate where media companies emphasize their need for control over any use of their intellectual property (Murray 2004, 10), and against a backdrop of earlier failed industry attempts at monetizing fanworks that have fostered mistrust between fans and the industry. By contrast, DLsite.com emerged in a time and location where Japanese media companies tolerated fanworks creation and distribution – even for money – because fan activities were considered supportive of the industry. Kindle Worlds and DLsite.com are also rooted in different publishing and distribution traditions. As will become clear throughout this article, Kindle Worlds is patterned after professional publishing, while DLsite.com is patterned after paid fanwork distribution as first established by fans at *dōjinshi* conventions.

These very different backgrounds give reason to suspect that while Kindle Worlds and DLsite.com have the same basic business idea of selling digital fanworks, they execute that idea differently in practice. This article tests that hypothesis by comparing the business model of Kindle Worlds to that of DLsite.com. Because the issue of who controls fanwork sales is so significant in current discussions of fanwork monetization, I focus my comparison on the systems that these two sites have set in place for managing fanwork sales – terms of service, content regulations, and so on. I frame all comparisons between Kindle Worlds and DLsite.com through the question of who controls the various aspects of fanwork sales on both sites, from work content to price setting to the allocation of copyrights. Where differences emerge, I try to explain the choices made by Kindle Worlds and DLsite.com by referring to the backgrounds of fan-industry relations that these models arose from. By exploring the differences between these two paradigmatic fanwork sales systems, this article explores what types of control exist in fanwork monetization schemes, where this control comes from, and what effects allocation of control may have on current and future business models trying to monetize fan activities.

Comparing Kindle Worlds and DLsite.com

Kindle Worlds, operational since July 2013, is a subsidiary of Amazon's Kindle store for books in digital formats. Kindle Worlds allows authors to publish fan fiction of properties ('worlds') that have been licensed for this purpose by Amazon. The licensor can set content guidelines for what may be published, while Amazon determines the price of every work

and divides any proceeds among the licensor, the author, and itself. At present, Kindle Worlds carries only prose fiction. Those who wish to tell their stories can submit them to Kindle Worlds, after which the works are formatted and checked for text quality as well as violations of the content regulations of the relevant 'world' (see below). Amazon then adds these works to the Kindle Worlds store and makes them available at a price set by them. For buyers, Kindle Worlds functions in the same way as Amazon's regular Kindle store. Visitors can browse the site based on what 'world' the works are written for, what works are newest or the most popular, and so on. They then purchase digital works using a credit or debit card, after which the works are sent to their Kindle device or Kindle reading application on their computers, tablets, or smartphones. As of March 2015, Kindle Worlds offered 856 fanworks for sale based on thirty-six licensed 'worlds'.

DLsite.com is one of at least a dozen of Japanese 'download stores'. Established in 1996, DLsite.com was one of the earliest digital *dōjinshi* sales platforms to be established, and the site absorbed a handful of other early platforms and established several partner sites around the web to become the largest distributor of digital *dōjinshi* on the Japanese Internet.⁷ Today, DLsite is a constellation of sites, including the main DLsite.com and a store focusing on works for a female audience called Girl's Maniax (Yano Research Institute Ltd. 2012, 267). Like most other Japanese 'download stores', DLsite.com sells not only fanworks, but also original self-created works. DLsite.com sells works in any medium that can be downloaded, including illustrations and games; however, most of the works on offer are *dōjinshi*, and most of these *dōjinshi* have fannish content, like fan comics and prose fan fiction. DLsite.com functions much like any other online sales platform, in which creators make an account and upload the content they want to sell. The works are then added to DLsite.com's catalog after being checked for violations of the site's content regulations (see below). Creators can generally set their own prices, and proceeds are divided between DLsite.com and the seller, with copyright holders receiving nothing. Site visitors can browse the *dōjinshi* and other media on offer (which are usually sorted into broader or narrower categories based on genre), add purchases to their basket, and download the files after paying with credit card or a variety of other payment methods ranging from payment in convenience stores – common in Japan – to bitcoin. As of March 2015, DLsite.com contained about 137,000 works for sale, of which an unknown number are fanworks.

The reason why it is difficult to count the number of fanworks on DLsite.com is closely related to one of the most obvious differences between Kindle Worlds and DLsite.com: the way both sites handle copyright. Copyright has long been identified as one of the main areas in which fans challenge corporate control over media through creation and exchange of fanworks, especially on the Internet (Consalvo 2003, 72). Fanworks are entangled in copyright issues in both the U.S. and in Japan, albeit in somewhat different ways, and fans and copyright holders in both countries take different attitudes towards these issues. In the U.S., where Amazon is based, the copyright situation of fanworks is unclear. While many fan studies scholars describe some fanworks like fan fiction or fanvids as legal 'transformative' works,⁸ many copyright holders from professional authors to media

companies publicly disagree with this interpretation of U.S. copyright law, claiming that fanworks are unauthorized derivative works. With no case law to determine which interpretation of copyright law is considered legally valid, both fanwork creators and companies that might want to monetize fan fiction are operating under a cloud of legal uncertainty.

When Kindle Worlds launched, one of its main selling points was that it had all its legal bases covered, allowing fan fiction creators to publish and even monetize their stories in an undeniably lawful fashion. Kindle Worlds only accepts fanworks that are based on properties licensed by Amazon, and it takes great pains to ensure that fan writers do not put a single toe over the lines drawn by these licenses. For example, Kindle Worlds forbids crossover fan fiction, presumably because such a crossover may involve a 'world' that Amazon has not licensed (Amazon.com 2014a). When it comes to who owns exactly what copyrights in the submitted fanworks, the terms of Kindle Worlds are quite complex (Amazon.com 2014b): publishing via Kindle Worlds means that a fan author retains copyright to original elements they have created, but they give Amazon and the original's copyright holders the exclusive right to monetize the story – including any original elements – without any additional payment to the fan author. The rights cannot be reverted back to the fan author. Stories published via Kindle Worlds may not be published elsewhere, for free or otherwise, although Amazon permits authors to publish up to 20% of the work for free on other sites for promotional purposes (Amazon.com 2014b). These restrictions reflect U.S. media companies' stance that fanworks are presumptively illegal, that only copyright holders can bestow upon fans the right to create and monetize fanworks, and that in the absence of a case law that could determine who owns what part of a fanwork, copyright holders have the right to set rules that leave all control over the publication and use of fanworks to them. As will become clear below, this extends to the right to control the content of fanworks as well.

Compared to Kindle Worlds, which emphasizes the legality of its service at every turn, DLsite.com operates in a surprisingly grey legal area. Japanese copyright law forbids the creation of unauthorized derivative works if they are intended for distribution beyond a 'limited circle' of others. Fans, academics, and copyright holders generally agree that the way most fanworks are distributed in Japan – through large conventions, brick and mortar fanworks stores, download stores, and free online services – goes beyond sharing in a 'limited circle' and is thus probably illegal (Mehra 2002, 27). These distribution channels nevertheless exist because, for reasons ranging from marketing opportunities to a desire to scout fan talent for professional publishing, copyright holders have tacitly decided to allow fanworks exchange to continue (Noppe 2014, 318-331; Peaslee 2014, 215). DLsite.com also functions under this unregulated but nevertheless functional system. Whereas Kindle Works is a triangle between copyright holders, Amazon, and fan creators, copyright holders are not involved at all in DLsite.com's operations. There is no acknowledgment on DLsite.com that a large portion of the works in its catalog are probably unauthorized derivative works according to the law. The site carries fanworks based on a seemingly unrestricted number of

properties for which it cannot possibly have obtained all licenses. DLsite.com's 'Copyright' section publicly pretends that all works in its online catalog are original works, saying 'All products on DLsite.com are the copyright of respective creators' (DLsite.com 2014a). DLsite.com carries that assumption to its logical conclusion by leaving all copyright for all media sold through DLsite.com with the fan creator; since copyright holders of source works are officially not involved, there is also no one with whom fan creators could possibly have to share copyrights.

The different fan-industry relations behind Kindle Worlds and DLsite.com are also reflected in the ways both sites allocate control about where works can be viewed, and how and where they can be republished. Kindle Worlds stories are available only through 'Amazon.com and in a new Kindle Worlds store, as well as on Kindle devices and via Kindle Free Reading apps on iOS and Android devices, PCs and Macs, and Kindle Cloud Reader' (Amazon.com 2014c). Amazon releases all stories with compulsory digital rights management (DRM) technology attached that prevents readers from making digital copies of works or reading them anywhere but inside Amazon's Kindle ecosystem. This may be Amazon's attempt to limit distribution to its own platforms to ensure that no other distribution channels – free or otherwise – can cut into its revenue from a particular fanwork. Copyright holders may also have desired to control where fan fiction based on their works is distributed, which would be a curious inversion of the common fannish idea that the creator of a fanwork should have the right to control where that work is published.⁹ In all, Kindle Worlds' rules surrounding where works can be distributed reflect the assumption that the right to proscribe the circumstances in which a fanwork is 'legal' belongs to copyright holders.

On DLsite.com, where no copyright holders are officially present to claim rights over any fanworks being offered for sale, fans have the right to republish their works for free or for money through any other channel and in any other format. DLsite.com also uses DRM for works, but not in the same way as Kindle Worlds. Sellers can choose to use DRM technology offered by DLsite.com that restricts buyers to viewing materials on special reading software, which is available for Windows and OS X only (DLsite.com 2014b). The point of this DRM is to prevent unscrupulous fans from 'pirating' a work by uploading copies of it for free on the Internet, or even selling the fanwork under their own name on other sites.¹⁰ Although the option to use DRM is there, a cursory look at *dōjinshi* and other works available on DLsite.com seems to suggest that few creators make use of this optional DRM, possibly reflecting fans' awareness that DRM can place annoying restrictions on honest readers while at best only delaying determined and tech-savvy pirates. In other words, the DRM on DLsite.com is meant to protect fan sellers, and is fully controlled by them. The DRM on Kindle Worlds is there to protect the rights of copyright holders, and fan sellers have no control whatsoever of whether it is applied and how.

Differences in control are also evident when it comes to payment – who determines what the price of a work is, and who gets what share of any revenues. On Kindle Worlds, creators cannot determine the prices of their own works: Amazon decides how much a work

will cost, promising prices ‘between \$0.99 and \$3.99’ (Amazon.com 2014c), which apparently depends upon the length of a work. The net revenue from the sale of a work on Kindle Worlds is divided between the creator, Amazon, and the licensor of the ‘world’ concerned. Fan sellers get a standard royalty rate of 35% or 20% of net revenue depending on the work’s length (Amazon.com 2014c). Amazon takes an unspecified commission fee. Finally, another unspecified percentage of the net revenue goes to the copyright holders of the licensed work. Net revenue at Kindle Worlds is ‘based on’ ‘customer sales price less customer returns, delivery and transmission costs, and excluding taxes’ (Amazon.com 2014c).¹¹ This arrangement, with copyright holders receiving a portion of revenues and fan sellers not being allowed to price their works according to what they believe they are worth, reflects the way in which copyright holders in the U.S. feel that they are entitled to a share of the profits from fanwork sales, and also that they have the right to determine what share a fanwork creator ‘deserves’ (Tushnet 2014, 15). It is also an early indication of an idea that I will return to later – that Kindle Worlds is so strongly patterned after the system of commercial e-book publishing that works sold through it cease to be ‘fan fiction’ in the eyes of many.

DLsite.com, meanwhile, allows sellers to set their own prices. Average prices of works on DLsite.com vary according to the format used, but *dōjinshi* on the English-language site generally seem to be priced between US\$2 and US\$6. Some of the available works, especially digital art materials such as brush sets and background sets, are much more expensive than *dōjinshi*. The price of a work on DLsite.com consists of a price set by the creator and an added commission for the store. The amount of the commission is not a fixed percentage; instead, it varies depending on the price set by the creator, with DLsite.com asking a low commission fee on sales of low-priced works and a progressively higher fee on sales of expensive works. This results in a rather complex pricing structure, and DLsite.com offers charts of possible prices in order to give sellers some idea of what the final price of their work in the catalog will be (CuriousFactory Inc. 2014a; DLsite.com, n.d., 6). In brief, for very low-priced works, the amount of the commission is low but ends up being a multiple of the creator’s price, because that price was low to begin with. For works in the middle price range, the amount of the commission fee can be about equal to the price set by the creator. For expensive works, the amount of the commission is higher than for cheaper works, but that commission ends up being a smaller percentage of the creator’s price in comparison. The commission fees are larger for works on the English-language site, possibly reflecting higher operating costs. In short, fan creators on DLsite.com set their own prices, and they can receive a high percentage of profits depending on what price they choose to set. DLsite.com’s pricing policies and distribution of profits once again suggest that its fanwork sales system depends not upon the involvement copyright holders and permission for their works to be adapted, but on copyright holders turning a blind eye because they believe that allowing fanworks exchange to develop is good for their own bottom line.

Kindle Worlds and DLsite.com also take different approaches to regulating the kinds of works that can be sold on their platforms, and by whom. Kindle Worlds currently restricts

its sellers to works of prose fiction, although its FAQs state, 'In the future we hope to include illustrations or images in the body of the story, as well as comics, graphic novels, and manga' (Amazon.com 2014d). Kindle Worlds further curtails the format of these works by setting a minimum of 5000 words for stories, claiming, 'We want to create a great experience for our readers. We think 5,000 words, or 15-20 manuscript pages, is a good minimum length for anyone who buys a Kindle Worlds story' (Amazon.com 2014d). All works offered on Kindle Worlds must be fanworks. Even within Amazon's own ecosystem of self-publishing schemes, fanworks may only be sold through Kindle Worlds: Amazon emphasizes that no fanworks based on Kindle Worlds-licensed properties can be published on Amazon's other self-publishing platforms Kindle Direct Publishing and CreateSpace (Amazon.com 2014a). Sellers also have limited options when it comes to language, accepting stories only in English, although Amazon states that it hopes to include more languages in the future (Amazon.com 2014d). Kindle Worlds is also open only to sellers from the U.S. (Amazon.com 2014e).

On DLsite.com, many of these restrictions are absent. DLsite.com permits the sale of fanworks of any length in multiple formats, including manga, collections of single-image illustrations, fan-made games, anime, and music. The site essentially allows its sellers to distribute works in any format that can be downloaded digitally. It also offers a free digitization service for fans wishing to sell digital versions of print fanworks.¹² As detailed earlier, DLsite.com also has no rules about the degree to which a work must be 'fannish' or 'original,' and sells fanworks based on existing source works alongside original works. DLsite.com has no rules about language, and began to accept fanworks from sellers outside Japan in March 2007 (ComiPress 2007), even offering free Japanese translation of works submitted in English. It also explicitly targets buyers from outside Japan, mainly by maintaining a separate English-language site (Yano Research Institute Ltd. 2012, 47). This English-language site offers slightly smaller versions of the catalogs of the main Japanese-language sites. Japanese fanworks can also be translated and offered for sale on the English-language site when Japanese fan creators want to reach English-speaking fans. English-speaking fans can also request translated versions of Japanese fanworks, which they receive for no extra cost if the Japanese fan creators in question agree to have their work translated (DLsite.com 2014c).

Some formats are restricted to the Japanese-language sites. For instance, DLsite.com does not allow prose fan fiction on its English-language fanwork sales platform, claiming that it does not want to bother with a format that it thinks will not be popular among English speakers anyway: '[novels are] a text-based product that comes with no or few images; thus, normally it gets rejected according to the compliance policy of the English section, as they are considered as not enjoyable for non-Japanese speaking customers' (DLsite.com 2014d, 4).¹³ In any case, DLsite.com's otherwise almost non-existent format limitations indicate that the site considers it preferable to let fans control the form a fanwork takes. It is also another expression of the fact that DLsite.com does not operate within any recognizable legal framework. After all, the legal position of a fanwork is often

dependent upon what format it takes (among other things), as copyright laws in various countries often have separate rules for different media. Kindle Worlds' insistence on only prose formats, even as Amazon recognizes the popularity and potential profitability of other fanwork formats (Amazon.com 2014d), is one indication of how complex it is to license or otherwise 'legalize' even one format. By operating outside of the law, DLsite.com can dodge these complexities.

Another notable difference in the ways Kindle Worlds and DLsite.com assign control over aspects of fanwork sales is through their handling of content restrictions, particularly those on explicit sexual content. Both sites have restrictions on what can appear in the works offered through their catalogs. Kindle Worlds maintains a blanket ban on all 'pornography,' which remains undefined. On top of this, Kindle Worlds has separate content guidelines for each of its 'worlds' that are determined by the licensors (Tushnet 2014, 17; Booth 2015). Licensors are presented with a boilerplate of content guidelines that they can adapt to their needs (Amazon.com 2014a). In practice, this often results in a mishmash of wildly different content guidelines. For instance, an examination of the content guidelines for the thirty-six 'worlds' available as of March 2015 shows that twenty-one forbid sexual content of any kind (on top of the ban on 'pornography' that applies to all 'worlds'). The fifteen remaining 'worlds' allow sexual content within some limits, with content guidelines frequently stating that they permit only consensual sex that is no more explicit than that which appears in canon. Licensors also frequently restrict other content. Language forbidding 'offensive content, including but not limited to racial slurs, excessively graphic or violent material, or excessive use of foul language' appears in the content guidelines for almost all worlds. Also commonly restricted are works with scenes of violence, works that continue past the point where the canon of the official 'world' stopped, and works that fail to present the characters 'in character' according to the licensor. Legal scholar Rebecca Tushnet highlights the example of the G.I. JOE 'world', which forbids stories that describe a particular character as 'a fan of the New York Yankees' (Tushnet 2014, 18; Amazon 2015a).

While content guidelines are often made up mostly of boilerplate language, individual licensors often also include extra guidelines that they find important. Lee Goldberg and William Rabkin, for instance, insist on 'no gratuitous violence by, or against, children. Sex and drug use with and among children is also not acceptable' (Amazon 2015b). This variety of content restrictions further reflects the assumption that copyright holders have the right to control what fan creators are allowed to make and distribute, and that their areas of control are virtually unlimited: as authors of the 'original', they have the right to impose any arbitrary limitation that they deem fit on fanwork creators. Kindle Worlds' blanket ban on 'pornography' is also significant. It not just an expression of Amazon's well-known problems with sexual content in self-published works in particular; it also rejects the 'fannish' practices of assigning value to, or at least tolerating, any kind of sexual content,¹⁴ as many commentators pointed out when Kindle Worlds was launched.

DLsite.com does carry large amounts of sexually explicit material. In its 'compliance policy' DLsite.com says that materials can be offered in three age categories: 'all ages,' 'R-

15' (mild sexual or violent content), and 'Adult' (graphic sexual or violent content). The policy also specifies, 'DLsite.com does not support or endorse non-consensual sex, unwilling or forced sex, abuse, rape, or sex involving minors. The products on this website contain common sexual fantasies drawn by creators only' (CuriousFactory Inc. 2014b). However, the site does have a set of extra content restrictions that sellers must abide by at least in theory, and reserves the right to unilaterally change or remove works that do not follow these rules. These rules include a ban on 'extreme violence' and photographic art.¹⁵ The content guidelines of DLsite.com are actually very similar to those used by other Japan-based online services, including other fan-oriented services. For instance, the English-language terms of use of image sharing site pixiv – often compared to deviantART in functionality and as a fannish space – are very similarly worded (pixiv 2012; Noppe 2013). In brief, the restrictions cover a variety of topics that are considered problematic mostly because Japan has some form of law against their depiction in any media, most commonly laws or local ordinances against the publication of 'obscene' content, such as in, for example, Article 175 of the Criminal Code of Japan. This has resulted in a tradition of professional and fannish artists in Japan dodging the law by publishing very explicit sexual content with only minuscule censorship bars to cover genitals and other content that might run afoul of Article 175 (Galbraith 2014, 128). It is this sort of censorship that DLsite.com also asks its sellers to abide by.

While some of the content restrictions imposed by DLsite.com are just as restrictive as those of Kindle Worlds, significant differences do emerge when considering the reasons why they are put in place. DLsite.com imposes content guidelines not because these are desired by copyright holders or DLsite.com as the distributor, but because everything published in Japan is legally obliged to comply with Japanese laws on the depiction of certain kinds of content in media. DLsite.com and other fanwork distribution channels (like download stores, *dōjinshi* conventions, and *dōjin* shops) have no choice but to ask that sexually explicit content be censored. Japanese fans know this, and while content restrictions and censorship in general are a constant topic for debate and activism in Japanese fan communities, they are seen as a form of attempted government control over public morality, not as an attempt by copyright holders or other companies to police fanworks (Leavitt and Horbinski 2012). In the case of Kindle Worlds, however, neither Amazon nor licensors are obliged by law to prohibit most of content that they forbid in practice. Fans have to assume that the content guidelines are there because Amazon and licensors expressly want to exclude graphic sexual content from Kindle Worlds – in other words, that 'Kindle Worlds' guidelines are in place to maintain the integrity of the commercial property' (Hellekson 2015, 130). These content restrictions are another expression of how Amazon not only prioritizes the concerns of copyright holders and distributors over those of fan authors, but also codifies that copyright holders claim the right to determine what constitutes a 'legal' fanwork – even though it is far from clear that they have this right in the U.S. The imposition of content regulations that restrict almost precisely the kind of varied, mature content that fan fiction is particularly known for, and

the insistence that copyright holders have a right to dictate what fans may write, serves to further remove Kindle Worlds from the concept of a ‘fannish’ space.

Discussion

To summarize, while Kindle Worlds and DLsite.com are both online stores that sell digital fanworks, they give control over the sale of fanworks to very different stakeholders. Kindle Worlds tries to keep copyright holders and Amazon happy by handing them almost total control over every aspect of the fanwork sales process, from content to payments and copyrights. Amazon’s approach towards sales of unauthorized derivative works reflects the strict interpretation of copyright law that U.S. media companies have generally insisted upon with regards to fan creations. Sale of fan creations is only permissible if they become ‘authorized’ in some way, and even then, rights-holders insist upon retaining all control over what can be sold and how. DLsite.com, on the other hand, emerged in circumstances where fans were the ones who needed to be kept happy in order for business to succeed, and copyright holders generally look the other way when confronted with attempts to sell unauthorized fanworks. As a consequence, DLsite.com has developed a system that gives control mostly to fannish sellers. It seems clear that many of the differences in control observed between Kindle Worlds and DLsite.com can be traced back at least in part to local-born differences in fan-industry relations and interpretations of copyright law. Particular historical, legal, and economic factors can and do have a strong influence on how fanwork sales systems are organized on the Internet.

Another interpretation could be that the fanwork sales system of DLsite.com seems to be patterned after a system established by ‘traditional’ Japanese fannish spaces, while the fanwork sales system of Kindle Worlds mimics the system of ‘traditional’ commercial publishing. DLsite.com reflects the fan-created, fan-controlled offline space of *dōjinshi* conventions, where the rules for fanwork monetization are not set or controlled by those who hold copyright over the commercial work being adapted. The monetization system of Kindle Worlds, by contrast, was built up from the assumption that fanwork monetization can and should be controlled by copyright holders as much as possible. This has led some to claim that what Kindle Worlds sells is not actually ‘fan fiction’ at all. Fans, scholars, and some professional authors share the impression that Kindle Worlds is not a new business model intended to benefit fans, but part of ‘ongoing attempts to reposition fan production within controlled production environments that then license and limit creative work,’ and a corporate attempt to ‘(shape) fan networks, fan engagement, and fan practices as a means of organizing and facilitating commerce’ (Morrissey 2013, n.p.). Fans and English-speaking fan studies scholars often emphasize that what makes a work a ‘fanwork’ is not just its content. Fanworks are also characterized by communal creation and circulation, according to whatever practices of sharing and reciprocity are considered ‘fannish’ by the community of which the fan creator considers themselves a member. From that perspective, Kindle World’s creation and circulation practices seem different from those usually associated with

fanworks, sometimes radically so. For instance, some have pointed to Kindle Worlds' lack of a system for commenting and other forms of communication between creators and readers as a way in which the platform removes itself from the fannish model of communal creation and renders itself unattractive to many fans in the process (Bothe 2014).

This interpretation is supported by the way Amazon markets Kindle Worlds as an attractive space for professional writers to publish works based on existing media. Kindle Worlds' opening announcement included several supportive quotes not from 'amateur' fans, but from licensors and professional writers (Amazon 2013). The Kindle Worlds site and Kindle Worlds Tumblr¹⁶ constantly feature interviews with Kindle Worlds writers who are already professional creators and extol the pleasures of writing for the platform. Kindle Worlds also came seeded with fifty pieces of commissioned content from professional writers at launch (Amazon.com 2013). One of these commissioned professional authors, Alicia Dean, replied to an early blog post about Kindle Worlds to confirm the similarities to tie-in novels, claiming that Kindle Worlds 'doesn't seem all that much like fanfiction to me, so I'm surprised that's how Amazon (sic). I feel it's more like the tie-in novels that have been around for years' (Dean 2013). Dean's assessment lends support to the idea that Kindle Worlds is not an attempt to extend or emulate existing fannish platforms, even as some of the marketing around Kindle Worlds and the terminology used on the site sounds like an attempt to position Kindle Worlds as a fannish space (Morrissey 2013). As soon as Kindle Worlds was announced, professional author John Scalzi and fan studies scholar Karen Hellekson observed that Kindle Worlds seemed to them to be not a sales platform for fan fiction, but more like a way for companies to obtain cheap tie-in novels (Scalzi 2013; Hellekson 2013). The evolution of Kindle Worlds since 2013, and the analysis in this article, seems to support an interpretation of Kindle Worlds as trying to envision – or re-envision – legal fanwork sales as a particularly restrictive system of tie-in novel creation (Hellekson 2015). Needless to say, tie-in novels are an established commercial publishing format that is very distinct from fanworks – especially in terms of where various rights and controls are allocated.

While the ethical and legal implications of various digital fanworks sales systems are under intense discussion, scholars are only beginning to scrutinize the economic viability of these systems. It is difficult to draw more than preliminary conclusions about the economic fortunes of Kindle Worlds and DLsite.com, but it is reasonable to say that while DLsite.com is an established and commercially successful business, Kindle Worlds appears to be floundering (Roberts 2014, Miller and Marchese 2015). DLsite.com recorded 1.38 billion yen in revenues in 2012 (Yano Research Institute Ltd. 2012, 76). It is impossible to determine how much of this comes from fanwork sales, since the revenue total of the site does not differentiate between fannish and 'original' content with its '*dōjin*' offerings. However, it is reasonable to conclude that DLsite.com's system for fanwork sales seems to work, in an economic sense, for DLsite.com as at least a distributor (and possibly also for some of the fans who distribute their works through the site). The same cannot be said for Kindle Worlds, even if one accounts for the fact that Amazon's fanfiction sales platform has only

been operating since July 2013 and cannot be considered a mature service that has reached its full potential. Amazon has not released any sales figures for Kindle Worlds, so its success can only be evaluated through other measures such as number of works, or feedback in online spaces where fanfiction authors tend to congregate. In March 2015, almost two years after launching, Kindle Worlds offers only 856 works for sale. This is a very small amount compared to major fanfiction sites like Wattpad (about 30,000,000 stories)¹⁷ or AO3 (1,559,960 stories),¹⁸ especially when considering that at least fifty and probably more of the stories on Kindle Worlds are works commissioned by Amazon, not spontaneously offered by their authors (Amazon 2013).

Some commentators point to the control system in place at Kindle Worlds as one of the potential causes of its lack of economic success. Author Laura Miller writes, 'Kindle Worlds is widely considered a bust, partly because the participating properties are not very enticing. Myriad restrictions imposed by the rights holders and stifling contractual terms were also growth deterrents, along with the absence of any meaningful community' (Miller and Marchese 2015). Similar predictions were made at Kindle Worlds' launch and in later assessments of the platform by some fans, academics, and even professional authors who claimed that the terms and rules of Kindle Worlds were too controlling and restrictive, especially with regards to the kind of creativity allowed on the platform. This research suggests that Kindle Worlds may be hampered not only by the amount of control it tries to impose on what fanworks can be sold, but also by the amount of control it exerts over the sales process through which these fanworks are exchanged. Kindle Worlds is certainly not the first platform for fanwork sales to suffer from the belief that it gives fans too little control over how their works are monetized. Fanlib, a short-lived fan fiction sales platform often described as the paradigm example of fanwork monetization gone wrong,¹⁹ failed partly because fans believed they lacked control over key parts of the fanwork sales process – for instance how they would get paid and how much, where they could share their content, and who would get what degree of copyright over their works.

Conclusion

This article can make no broad conclusions about whether fanwork sales systems that give more control over the sales process to fans would be more likely to succeed. While I have established that the fanwork sales system of DLsite.com appears to give much more control to fans than that of Kindle Worlds, I have made no attempt to determine the exact causes of DLsite.com's greater economic success, including how big a role control systems that favor fans have played in it. Also, this research involves a comparison of only two examples of a vast array of different fanwork sales systems. While Kindle Worlds and DLsite.com are two of the largest and most well-known services in their respective fannish media ecosystems, neither is representative of all fanwork sales systems that are used by the English- and Japanese-speaking fans that are their primary user bases. However, the stark differences between Kindle Worlds and DLsite.com are compelling. The success of DLsite.com and other

fanwork monetization schemes born in Japanese fan culture, such as conventions and *dōjin* shops, support Hellekson's assertion that 'attempts [at monetizing fanworks] must be initiated by and embedded within the fandom in question' in order to be workable in practice (Hellekson 2015, 126). It is worth investigating whether future fanwork sales systems would be more economically viable if they were to aim for a division of control that would be perceived as fair by fans.

This research also suggests that while the establishment of Kindle Worlds may have been a watershed moment for fanwork sales in the U.S., its apparent failure should not be taken as proof that all fans are inherently opposed to the monetization of their works. DLsite.com alone serves hundreds of thousands of fans that are interested in selling and buying digital fanworks, including many English-speaking fans. Fanwork monetization is neither new nor exceptional even in parts of English-speaking fan culture. To provide just one example, 'filing off the serial numbers,' or changing identifying names from fan fiction in order to publish it as an 'original' novel, is a practice with a long and storied history (Fanlore 2013) that is currently popular especially in the Twilight fandom from which *Fifty Shades of Grey* hailed (Brennan and Large 2014, 28). The existence of 'filing off the serial numbers' and other strategies of fanwork monetization suggests that Kindle Worlds is not failing because all fans are uninterested in selling fanworks, or because all fans believe that fanwork exchange should only be 'non-commercial'.²⁰ I would argue that Kindle Worlds is failing because it does not add enough value for fans – value to their fannish experience, or to their commercial aspirations. This implies that fanwork sales could be successful on the English-speaking Internet if a better business model were found.

The failure of Amazon to make fanwork sales commercially viable may function as a warning to others who would attempt the same: almost two years after the much-trumpeted launch of Kindle Worlds, the landscape of fanwork sales startups that try to copy or improve Amazon's approach remains curiously barren.²¹ At the same time, Kindle Worlds does significantly improve upon previous attempts at fanwork monetization on the English-language Internet. For instance, although many fans have compared the terms of Kindle Worlds to those of the short-lived Fanlib, Kindle Worlds represents a leap forward compared to Fanlib because it offers a very important thing that Fanlib could not: an entirely legal way for fans to sell fanworks. Fanlib did not have its legal house in order, making it risky for fans to use and risky for other companies interested in monetizing fanworks to emulate. Kindle Worlds did find a way to offer legal options for selling fanworks, and while the licensing scheme it uses has come under criticism,²² the fact that Kindle Worlds is legal does make it much more accessible as a template for others who might be thinking of how to commercialize fanworks. There are ample signs that there remains a commercial interest in monetizing fanworks. For example, literary agents are reportedly observing fan fiction archives like Wattpad²³ in order to discover new authors with massive followings who might be the next big commercial success.²⁴ Fans are also continuing to explore methods of monetizing their works. On the websites Scribd²⁵ and Smashwords,²⁶ for instance, fan fiction can be found for sale (concealed among less legally questionable texts,

in a way that is reminiscent of how fanworks on DLsite.com are hidden in plain sight among original works) (Hellekson 2015, 127-128).

What is clear is that Kindle Worlds is far from the only fanwork sales system that can be used as a template for future endeavors. Comparisons between Japanese- and English-speaking fandoms are a good place to start, as Japan and the U.S. are 'arguably the largest producers of fan fiction' (Peaslee 2014, 201). The Japanese system of fanwork sales from which DLsite.com hails may well be 'the paradigmatic example of an alternative choice' (He 2014) where copyright holders not only embrace fanworks as a useful and economically valuable activity, but manage to do so without insisting that they have the sole right to authorize what kinds of fanworks are legal, which can be sold, and how. However, comparisons between Japanese and U.S. systems for fanwork monetization are only the beginning. There exists a wealth of variety in systems that remains to be studied – variety that likely can be traced back to local interpretations of copyright law and local power relations between fans, copyright holders, and distributors within in the countries where websites and offline channels are based. Many of these fanwork monetization systems are not easily accessible because of language or other cultural and geographical barriers, and their study poses a challenge for transcultural fan studies. However, the payoff of such research could be highly significant. Fanwork sales systems that have developed outside the influence of U.S. fan-industry relations are not merely of academic interest: they may also be useful sources for inspiration on how to implement fanwork monetization in English-speaking countries. This sort of inspiration certainly seems necessary. The U.S. in particular finds itself in the curious position of producing a massive number of media properties that inspire fans worldwide, yet being exceptionally bad at cooperating with all these fans in order to develop business models for fanwork sales that work for all the stakeholders involved. Investigating fanwork sales systems around the globe strengthens not just our understanding of what fanwork monetization already looks like, but also our ability to imagine what it could look like.

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Notes:

¹ <https://kindleworlds.amazon.com>.

² Examples include Morrissey 2013; Stanfill 2013; Tushnet 2014; Booth 2015; Hellekson 2015.

³ Examples include Wattpad and Scribd. For a brief discussion of Scribd and Smashwords as fan fiction exchange platforms, see Hellekson 2015, 127-128.

⁴ <http://pixiv.net>

⁵ <http://www.tinami.com>

⁶ <http://DLsite.com>.

⁷ Other large sites include Gyutto.com (established in 2005), DMM (1999), and Digiket.com (2003).

⁸ For example Tushnet 2014; Schwabach 2011; Leavitt and Horbinski 2012.

⁹ Whether this expectation is reasonable or even feasible on the internet is a topic of constant debate among fans. Nevertheless, the basic assumption continues to be that the creator of a fanwork should ideally be the one who gets to control where a work appears.

¹⁰ Just as English-language fanzine creators were sometimes troubled by 'zine piracy' (http://fanlore.org/wiki/Zine_piracy), Japanese *dōjinshi* creators have also faced problems with individuals copying and selling other fans' *dōjinshi* in order to make a profit (Misaki 2012, 2). 'Dōjinshi piracy' is sometimes an issue with digital *dōjinshi* today, since they are easy to copy and upload to a variety of online fanwork sales services.

¹¹ Exactly how Amazon determines the 'net revenue' is unclear. The Organization for Transformative Works explains this as follows for fans: 'The key phrase to be aware of here is 'net revenue.' This means that your royalty will not be calculated on the price of the book (so, for a \$1 book, 35 cents a copy), but rather on whatever's left after all of Amazon's costs, which are undefined, are accounted for. Depending on how aggressively Amazon defines its costs—and Hollywood, for example, is famous for calculating them very aggressively—that could mean you get little to nothing' (Organisation for Transformative Works 2013).

¹² DLsite.com offers a free digitization service in order to attract sellers with a large back catalog of analog works. Such sellers are numerous because print fanworks are highly popular in Japan, where they are exchanged through thousands of fanwork conventions that are held every year, a network of hundreds of brick and mortar stores, and other means such as online mail order sales.

¹³ DLsite.com's assumption that English-speaking fans do not like prose fan fiction exemplifies a general lack of awareness on the part of many Japanese companies and fannish circles about the workings and preferences of non-Japanese fan cultures (Noppe 2014, 34).

¹⁴ So long as it is properly 'warned' for, that is. Many spaces of English-speaking online fan culture, for instance, will celebrate and defend any kind of sexual content when the creator takes care to specify at the top of the work if it contains any themes or sexual acts that some readers might prefer not to be surprised with. Hellekson notes that while many online services for fanworks distribution - paid and otherwise - appear to have restrictions on sexual content in place, the fan-run fanworks sharing site Archive of Our Own (AO3, <http://archiveofourown.org>) is a rare exception. She attributes this partly to AO3's status as a fan-run, non-profit project set up to prioritize the needs of fans (Hellekson 2015, 129-130).

¹⁵ The full list of DLsite.com's rules for content on its English-language site is as follows.

'DLsite.com English does not tolerate the following:

- Works that contain inappropriate expressions of ideology, religion, politics or race. (Also includes inappropriate expressions of historical events.)
- Works that contain so-called '*lolicon* (lolita complex)' content: defined as sexually suggestive works featuring a character that appears to be teenage or younger. This may be indicated or

implied in the contents, sample image(s), or product details of the Product Details page; or by reasonable consensus that the following verbal descriptions apply: underage, infant, kid, child, etc. Altered photographic or photorealistic images which resemble a real child, etc. are strictly banned.

- Works that contain extreme violence, amputation, necrophilia, or extreme violation. (*Lolicon* works which contains extreme violence are strictly banned.)
- Works that focus on actual photographic content.
- Works that are written in Japanese language which contain few or no images.
- Works that contain proper nouns of an existing company or person.
- Works that are intended for Mac OS users only.
- Any other works that DLsite.com considers inappropriate for selling on the English website.

Please note that our product policy treats a wide range of contents, and what we introduce in the above are only the most common examples.’ (CuriousFactory Inc. 2014b)

¹⁶ <http://blog.kindleworlds.com/>

¹⁷ Number of fan fiction works as supplied by Wattpad to Vulture. It is unclear whether individual chapters of works were counted separately, or as one work (Miller and Marchese 2015).

¹⁸ Number of fan fiction works listed on <http://archiveofourown.org> on March 22, 2015. Individual chapters of works were counted as one work. This number includes a presumably small percentage of works that are not strictly fan fiction works, such as fan art, fanvids, and pdfics.

¹⁹ Fanlib was ‘a venture capital-funded initiative designed to commercialize fan fiction on behalf of content owners and allow fan authors to win content owner-run sweepstakes’ (Tushnet 2015, 30). It was operational for a little more than a year between 2007 and 2008, during which it received intense criticism from many fans for, among others, its handling of the copyright issues surrounding fanworks. For more analysis, see Fiesler 2007, 747-748; Hellekson 2009, 117-118; or Chin 2014.

²⁰ It should be noted here that when a fanworks exchange system involves money, that system does not automatically become ‘commercial’. Japanese fanwork creators, for instance, go to great lengths to emphasize that they involve money in fanworks only to support their preferred fannish infrastructure and cover their printing and distribution costs. Surveys indicate that most Japanese fan creators who sell print fanworks operate at a loss (Noppe 2014, 234).

²¹ About a month after Kindle Worlds was announced, *Twilight* films producer Mark Morgan announced the impending launch Outlier Digital, a licensed fan fiction sales platform that promised to improve on Amazon’s business model by – among others – allow fan fiction authors to publish their works anywhere instead of limiting them to one platform (Digital Book World 2013). However, Outlier Digital has not materialized.

²² Tushnet 2014, for example, explains at length why ‘licensing can never substitute for transformative fair use, even when licenses are routinely available’ (Tushnet 2014, 3).

²³ <http://wattpad.com>.

²⁴ While this kind of scouting is definitely happening, there appear to be few confirmed instances of fan fiction writers being scouted by commercial publishers through Wattpad, besides *One Direction* fan fiction writer Anna Todd (Herman 2014).

²⁵ <http://www.scribd.com>.

²⁶ <http://www.smashwords.com>.