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# Development, adaptation and netwar within an unauthorized social network – the case of anime fan distribution structures

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A key point to keep in mind when thinking about Arquila and Ronfeldt's analysis of networks and netwars is that their terminology and diagrams should be universal – that is, applicable to situations and groups beyond those that they describe. But precisely because of the situations in which this terminology is most often used, it is also far too easy to believe that network analysis is only truly relevant when looking at instances of conflict between sub-state-level groups and the state. In many – though not in all – cases this conflict will be violent, involving, involving terrorist, criminal and otherwise destructive forces on one side, and organizations whose duty is to ensure the safety and security of their stakeholders on the other. And in fact, the case studies included in *Networks and Netwars* attempt to demonstrate how networks try to disrupt the power and authority wielded by national or local governments. Of course, there is a degree of difference between a networked terrorist organization working to harm the interests of the United States, and a network of human rights activists collaborating against the interests of the government of Myanmar; likewise, violent anarchists on the streets of Seattle differ significantly from relatively peaceful environmental activists. But the patterns of power largely remain the same throughout the analyses. One side is limited to largely using hard power; the other, the networks, has access to the full range of soft-power and hard-power methods, with the specific range determined by its composition and goals.

The next step in this process, then, should be to extend network analysis outside the state/non-state arena, and to show how this same thinking can explain interactions between competing groups that do not have access to the level of power normally wielded by a state. A useful concept here, one that is only recently (Ito, 2006) been proposed is of “networked publics.” Ito defines the term by referring to “[individuals who are enabled to become] reactors and

(re)makers in relation to media, engaging in shared culture and knowledge through discourse and social exchange as well as through acts of media 'reception.'” Individuals may be in conflict with the state, but individuals are primarily in conflict (used in the broadest sense) with other individuals, and with social and corporate groups. It will be extremely beneficial to the entire concept of networks and networks to test it in an environment that finds networks facing off against not governments, but corporations. At the same time, looking at it in reverse, there is clearly value in seeing how non-state actors themselves can respond to threats from networks, and whether these responses are essentially the same, or drastically different, from those offered in the original Arquilla/Ronfeldt case studies. Ultimately, the question that should be asked is what value does the concept of networks and networks hold for non-political social groups, and for business entities.

Many American parents are all too familiar with the Japanese cartoons such as *Pokemon* that, since the late 1990's, have dominated morning television timeslots. But it will be a surprise to many that JETRO recently (Bertschy, 2007) estimated market for *anime* (the term used to encompass all Japanese-originated animation, including feature films, DVDs and television cartoons) in the US to stand at close to US\$4.5 billion. Attendance at anime conventions held annually throughout the US frequently tops 10,000, and internal research by the industry-leading distributor has shown that 69% of all Americans ages 16 to 29 have watched anime within the last year (Koulikov, 2007).

What is the standard distribution structure for Japanese animation in the US? The details are unique, but the overall scheme is more or less intuitive. Animation is aired on Japanese television, distributed on DVD, or screened in theaters. Sometime later, American companies (currently, no more than twenty total, most of the privately-owned and highly specialized), acquire foreign distribution and merchandizing rights. Later still, these series and films are

translated, given subtitles and voiceovers, and released into the retail market for distribution. The time between when a given anime airs in Japan and when it can be purchased at the *Best Buy* at the local mall generally ranges from several months to several years; a differential of one to two years is typical (Kelts, 2007).

And yet, alongside this entirely expected structure is an entirely parallel, “aggressively non-commercial” “fan distribution network” – the term is coined by Leonard (2005a). Starting in the approximately 1990, individuals throughout the US began acquiring anime directly from Japan, largely through non-commercial channels, used cutting-edge computer technologies to attach subtitles to the original “raw” content, and then distributed the resulting products, known as “fansubs” in a framework that Leonard defines (2005b) as a “proselytization commons - a space where media and ideas could be freely exchanged to advance a directed cause.” A more thorough overview of this process is given by Hatcher (2004). From these humble beginnings, fansubs have evolved to a point where an episode of an anime that was shown on Japanese television on a Friday night can be available online on by next Monday, with (relatively) accurate English-language subtitles, and would be downloaded by as many as 18,000 people at the same time (Leonard, 2005b).

From the early 1990’s to the present, these fan distribution networks (here, the term is used in a broad sense), have evolved through at least two, and possibly three stages. At each stage, the flow of information, the social relationships that held them together, and their relationship to other stakeholders – particularly Japanese content creators and American content distributors – was different. An interesting question, though one that is perhaps outside the scope of this paper, involves tracing this process alongside the development of what Lessig (2005) calls the “Read/Write Internet.” A more pertinent area of inquiry, on the other hand, asks the question of

how could stakeholders interact with, and potentially, disrupt these networks, and in fact, whether they even should.

As far back as 1994, Newitz described the usual process by which anime was acquired, translated and presented. The original material would be bought in Japan by tourists or other visitors, such as military personnel, or exchanged in kind with Japanese fans of American television shows. Several Americans, frequently college students, would band together to create a fansub. Advertising would be either by word of mouth, or via early Internet communications such as bulletin board systems and the first websites. Actual distribution would be on tape via the mail. An interesting feature, which Cubbison (2005) points out, is the emergence of a “code of ethics” that guided both the technical features of fansubs and acceptable behaviors of fansubbers. Some of these included the proposition that only those shows that were not available in the US commercially should be fansubbed, that translation be as close to the original as possible, regardless of how natural or literate the result would be, and a strong commitment to operating not in a black market, but actually entirely outside market structures. The typical “business model” would require that anyone desiring a copy of a fansub mail a self-addressed, stamped envelope containing either a blank videocassette or the cost of one in cash to the fansub distributor. The transaction, then, would be explicitly non-commercial.

At this level, the most appropriate diagram would feature numerous spoke-and-hub clusters spread throughout the US, each centered on an individual fansub group, with its “customers” representing the outlying nodes. Diaz and Munos (2006) identify at least five specific roles or tasks that would be performed at the level of the hub, although of course they could be filled by either less or more individuals. There would be little actual communication between nodes, either at the level of the customer or at the level of the group, although there could be communication between the members of a given cluster. In fact, nodes could either compete

against each other, usually on translation quality, or specialize in particular genres. Each hub, in turn, would be connected via a pure chain network to an original provider in Japan. Of course, there was also nothing specifically built into the system that would prevent abuse; for example, there were stores in areas such as New York's Chinatown and the Washington, DC suburb of College Park that were infamous for subverting the ethics of the movement by acquiring the technology for in-house reproduction of fansubs, which they would then make commercially available for sale or for rent.

A question that has fascinated those who have commented on this history of the fansub movement is why this "underground circulation" was tolerated by both the original Japanese rights-holders and the emerging American anime distribution companies: that is, why were there no real efforts in the early 1990's to disrupt the distribution of fansubs. Russell, et al. note (2006) that simply because there were very little in the way of an American anime industry at that point, and because whatever existed was actually frequently related very intimately to existing fan groups, there could be no disruption effort from the American side. For their part, Japanese companies were soured by an earlier attempt to exploit the US market commercially in the late 1970's and early 1980's (Leonard, 2005b). Moreover, the attitude towards copyright enforcement was, at least at that point in time, generally a lot more lax in Japan than it is in the West, even if Japanese copyright law is not substantively different. (Mehra, 2005). Working outside the commercial environment, fansub groups took "risks no commercial distributor would have confronted, testing the market for new genres, producers, and series" (Jenkins, 2006) and in fact, prepared the ground for the "anime explosion" of the late-1990's.

The emergence and proliferation of high-speed internet access, spreading outward from college campuses and major urban areas in the late 1990's was a technological revolution which impacted far beyond the merely technological. Lessig's Read/Write Internet and O'Reilly's

Internet 2.0 (2004) could not have happened unless the technological backbone was there. The effect of many of these technologies on fansubbing was drastic; even the basic terminology shifted from “fansub” (emphasizing the community) to “digisub” (emphasizing the technical process.) Going back to the network diagram, file-sharing utilities like Napster, Kazaa and Hotline, run on computers with access to high-speed internet connections began to draw links between individual nodes within clusters. There still needed to be hubs, but their number could grow, as did the number of nodes both overall and specifically within each cluster. In addition, the chain connecting a node to an original provider could shorten significantly. Because communication over the Internet is vastly less expensive, and vastly more speedy, than the transfer of physical objects via the mail, tightly-knit fansubbing groups defined by geography could evolve into essentially global virtual teams defined by working on tasks. In addition, the ethical component of the earlier stage began to fray as the “scene” itself grew. Based on transfer of commodities and specific physical objects, it was not well-suited to an environment where what was being transferred was primarily information.

More or less at the same time, Japanese companies effectively opened their eyes to the potential of the overseas market. By redefining the concept of soft power specifically for the Japanese context, McGray (2002) introduced the idea that it did not need to be an economic superpower to project its image throughout the world. The Japanese government, in particular the Ministry of Economy, Trade and Industry (MITI) seized on the idea enthusiastically, proposing, for example, specific actions to promote the country’s “content industry” abroad (Yoshimoto, 2003). This, of course, would bring Japanese companies into direct conflict with the evolving American fan distribution network.

The third, current, stage of fansub distribution in the US was driven by the development of true P2P data-sharing. Anime fans were among the first to adopt applications like BitTorrent for

dissemination of data, and thus, the current situation of almost simultaneous release and staggering numbers. One figure (Borland, 2005) – by far not the most recent – puts the number of files of anime episodes that are being downloaded via BitTorrent daily at 120,000. Returning to the diagram, we are at largely an all-channel environment, or perhaps, a vast array of interconnected all-channel networks. Multiple nodes, some of which are redundant, feed information to be distributed to all willing participants, who themselves become distributors.

Between the increasing relevance of the foreign market to Japanese companies (Onouchi, 2007) and the continuing decline of overall DVD sales in the US (Bond, 2006), both Japanese and American companies involved in the industry have moved beyond ignorance or indifference and have been using several different methods against the fansub networks. The specific methods they are turning to actually hold lessons for network/netwar theory in general, especially given what Arquilla and Ronfeldt argue is the difficulty of successful disrupting networks without the overwhelming use of force. They range from relatively heavy-handed to significantly soft. Some embrace technological solutions, while others take a more strategic view and aim to take away the reasons why these networks exist in the first place

The heavy-handed ones are perhaps the easiest to identify and explain. A frequent practice for American anime companies is to issue cease-and-desist letters to fansubbing groups that are working on series the company in question has acquired the distribution rights to (Borland, 2005). This attacks the major nodes of the all-channel network, but does not directly impact other nodes or individuals. Furthermore, a key feature of the Internet in general and of Web 2.0 specifically is that once information is released out, it will exist essentially in perpetuity. Especially in a P2P environment, once created, a file will continue to be available for distribution as long as at least one person makes it available. An approach that attempted to correct for this by targeting not the originators but the end users (similar to how the music industry has approached illegal

downloaders) was recently undertaken by the Singapore-based anime licensing company Odex (Ho, 2007). Using technologies that allowed it to identify individual downloaders, the company proceeded to threaten them with court action. Perhaps predictably, the result has been public resistance, including an increased level of scrutiny of the company itself. Some efforts undertaken by Japanese companies have been similar: as discussed earlier, there is an aversion in Japan to litigation, but in order to protect both rights and potential markets, Japanese anime companies have been leveraging their existing relationships with American distributors to have similar letters issued. Ultimately, this kind of legal-based approach is the one Hatcher (2005) recommends, although he does acknowledge that the youth of this industry and its relative unsophistication makes legal action unlikely.

An entirely different approach has been proposed by, among others, Debra Kennedy (Koulikov, 2007), who called upon American anime companies to recognize that their existing business models may simply not be sufficient to meet customer needs. In fact, Leonard (2005a) identifies fansubs as complementary or prerequisite goods that have a particular niche to fill until the market evolves sufficiently. Some of the solutions Kennedy proposes, such as implementing online and on-demand distribution, are essentially technological, while others, like “pre-licensing” or co-producing are purely business decisions. Both types would presumably strike at one of the reasons for the existence of fansubs by decreasing the time between when a given title is released in Japan and when it becomes available in the US. Conceptually, an approach of this kind would make the entire network obsolete or irrelevant. Of course, it would take significant investment; as she noted, not all of the companies that are currently participating in the anime market in the US may be able to bear the cost.

Yet a third approach to the issue is simultaneously radical and one that has made quite a stir in the ongoing discussion of networks. The original ethic of fansubbing was based on established

social norms (Russell, et al., 2006). Anime is at heart a commercial product that cannot exist unless its creators are duly compensated for their work, and one key to disrupting the network may be via emotional appeal and education. As early as 2002, there was at least one case of a Japanese creator publicly asking American fansubbers to refrain from translating and distributing non-commercially a particular title. In fact, a connection can be drawn from this kind of approach to what is apparently the highly-successful experiment undertaken by the band *Radiohead* to release its latest album for sale online without a set price. Porter (2007) links it to the concept of the “warm glow” – the unquantifiable satisfaction of “helping create a new art form - or a new economy.” Rather than attacking individual nodes, which is costly and does not answer the question of redundancy, or of approaching the network as a whole, which involves even more financial commitment, this approach works at the connections between the nodes. It addresses not merely the network as it exists at any given point in time, but the reasons why a network would be formed in the first place.

Of course, all of these refer to a highly specific case, within a specific industry and two specific countries. But the concept of networks and netwar is too important to be limited to thinking merely about defense, security or political issues. From Castells’ idea of the network society rises what Varnelis (2006) calls “network culture”, where the network is the “dominant organizational paradigm.” And perhaps, the key component of true strategic intelligence in this day and age will be recognizing what the network culture means for all those participating in it.

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