

Piracy as a Catalyst for Evolution in Anime Fandom

By Allison Hawkins

Introduction: Conventions as Technological Fan Forums

It is the middle of July, and I am in Los Angeles for the first time. Yet, this part of Los Angeles is unlike anything I could have expected. Surrounded by robots, magical girls, and even a few Pokémon, I wander the Los Angeles Convention Center, passing viewing rooms, panels, and the Dealers Room along with thousands of other anime fans. It is Anime Expo 2012, currently the largest anime convention in the United States. Everywhere fans discuss their favorite shows of the current season as well as those they have seen years ago. They buy DVDs and manga (Japanese comic books), display their own fan artwork, and comment on one another's Anime Music Videos (AMVs) or cosplay (the act of dressing up as an anime character). I am in the middle of a vibrant, busy, very seldom quiet space, full of passionate fans eager to discuss their favorite parts of anime culture with like-minded individuals.

In ancient Roman times, the forum served multiple functions. It was a marketplace, a space for public debates, discussions, and a common meeting-place for both casual and official business. For current anime culture, the convention is the equivalent of the Roman forum. A convention serves as a marketplace, meeting place, and space for discussion and debate. It is also a space that is intimately linked with technology. While listening to conversations between fans, it was not unusual for me to hear comments such as "I've downloaded it, but haven't watched it yet" or frequent mentions of The Pirate Bay (a website for illegal downloading) and BitTorrent, suggesting that fans use technology for illegal access to anime and manga. These conversations can even (paradoxically) occur in the Dealers Room—a literal marketplace where fans buy merchandise related to their favorite shows. Looking at the current size of the typical convention,

with over a thousand participants for the larger ones like Otakon in Baltimore or Anime Expo in Los Angeles and even mid-sized conventions such as Youmacon in Detroit, it is almost hard to believe that such big events used to be small, as well as that a space so steeped in enterprise was first formed (and still grows) through piracy. What may be even harder to recognize is how the use of technology has enabled anime convention culture to evolve. Exploitation of technology has given fans the power to become their own creators and distributors and simultaneously helping and hindering the legally established market.

Through this thesis, I hope to establish how piracy has been essential to the growth, change, and development of anime convention culture. By using technology for piracy, fans have aided in the distribution of Japanese anime and have become creators in their own right. While beneficial for the initial growth of the once-niche culture, however, fan piracy now poses problems to legitimate licensing and distributing companies. In this way, piracy has become a catalyst for the evolution of both the anime fan community and for the businesses which must now attempt to find ways to capitalize on a culture built illegally.

Illegality and the Rise of the Anime Convention

To understand the current anime convention scene, one must first examine the way in which anime originally made its way to the United States and the way in which fans first connected with each other. By doing this, it is easier to see how a community that started as one room at a sci-fi convention eventually grew into one that fills giant convention centers and, in some cases, even multiple buildings. The role that technology played in this growth is substantial, particularly because fans often utilized legitimate technologies for illegal purposes, and it is precisely that illegality which has caused the growth of convention culture. Furthermore,

it is important to recognize the way in which anime was consumed and thought about in the United States. I propose that this happened primarily in three distinct phases: an initial wave of syndication, the 1990s “anime boom,” and finally the movement to online distribution of anime.

The first was the wave of syndication in the late 1970s and early 1980s. Though anime was in syndication in the United States before this time, with shows such as *Tetsuwan Atomu* (*Astro Boy*, in English) (1963), *Kaitei Shōnen Marin* (*Marine Boy*) (1966), and *Mach GoGoGo* (*Speed Racer*) (1967), the “Japan-ness” of these shows was de-emphasized and the shows dubbed over into English. As Walter Amos, a longtime anime fan, recalls, a show such as *Speed Racer* was “just a cool cartoon” rather than an example of Japanese anime. Walter suggests that perhaps this de-emphasis was due to historical-cultural reasons, with World War II being recent enough to warrant a downplaying of the animation’s national origins. Whatever the reason, the minimizing of “Japan-ness” changed with 1979’s *Space Battleship Yamato*, known as *Star Blazers* in the United States. Walter characterizes this show in particular as the one which sparked widespread American interest in anime. Specifically, he attributes this to the explicit statement of the show’s origins. “There, at the end of it, in the credits,” he recalls, “they made sure in the credits [to state] based on *Space Battleship Yamato*, directed by Leiji Matsumoto.” As he put it, fans “went completely bonkers.”¹

The increased awareness of the show’s “Japan-ness” led to an increased interest in anime as an international art form. Anime fandom began to take off—specifically when fans realized that there was more *Yamato* to be had overseas (another season and several movies, to be precise). Once this was established, the postal service became essential to the growth of the

¹Amos, Walter. Interview. Allison Hawkins. 27 July 2012.

fandom. Though not illegal in and of itself, the postal service was the primary way in which fans connected, communicated, traded, and ultimately illegally distributed anime and manga. This was especially true in the late 1970s, when the illegal trading of anime started to expand in response to growing demand for anime. That demand led to the use of the postal service not just as a communication method, but as a distribution method. Fans tried to find cousins or friends overseas to send tapes. When they received them, recorded and unsubtitled, they would then distribute them to other fans.

Through interviewing Walter, I found another way in which fan involvement in the distribution process and convention scene could be caused by the postal service. When asked how he first became a fan of anime, Walter responded:

I was not fortunate enough to have the cousin in the navy. The way I discovered anime fandom was in about 1981 or 2 I got a letter in the mail from a group called Creation Conventions...they were a commercially run convention which I think started in New York that would bring in the big name *Star Trek* cast, mainly big-name media...the Dealers Room was all anime, and when I say anime in 1983 that meant Leiji Matsumoto. And I will never forget walking to a table in the Dealers Room and here are art books from *Space Battleship Yamato*. Opening this one art book and here's a scene...I said to the dealer, "I don't ever remember seeing this scene." And he said "Yeah, that's from the third season of the show." There were flyers saying, "If you're interested in seeing the stuff of *Yamato* you haven't seen and other Japanese animation, join the Cartoon/Fantasy Organization, join the *Star Blazers* fan club."²

²Ibid.

The Cartoon/Fantasy Organization was the first anime fan club, started in 1977 by Fred Patten. Members of clubs like these or the *Star Blazers* Fan Club would get newsletters in the mail, exchange contact information, and, most importantly, exchange tapes back and forth in order to see content not available in the United States. Patten was an anime fan starting in 1976, and eventually worked for Streamline Pictures. This was a company which translated some of the earliest US released Japanese animated movies such as *My Neighbor Totoro* (1988) and *Akira* (1988) until it went out of business in 2002. Patten's initial efforts in establishing the first anime club were essential to establishing a way in which fans could connect to one another through the postal service. By sending newsletters and requests for trades amongst its members, the Cartoon/Fantasy Organization enabled anime fans from all over the nation to communicate with each other and share their acquisitions. Thus, due to the increase in demand for anime, the postal service became the primary method of distribution for Laserdisc and its competitor, the Video Home System (or VHS). Consequently, it was also the prime facilitator in establishing the first conventions devoted solely to anime.

Though it did not quite catch on in the United States like the VHS, Laserdiscs (LDs) were nevertheless an important part of the growing trade between anime fans during the first phase of anime in the US market. According to one anime laserdisc enthusiast writing under the pen name of "Publius," "not only was LaserDisc the prestige video medium in both Japan and North America, it acquired a special significance in the anime hobby community. LD's durability made it the obvious choice for those importing programs which simply were not available outside of Japan, and its high quality and freedom from copy protection led to its adoption as the standard source for the fan-traded tape copies and amateur subtitling projects which gained so many

programs most of their exposure in the days before 'anime' was a mass-marketable brand."³

Though expensive, the quality of media was better than that of analog VHS tapes, and the durability made it a better option for international shipping.

This may sound surprising to Americans, where VHS (and later DVDs) emerged as the more dominant media formats, but in Japan "LaserDisc was a much larger part of the overall Home Video market than overseas, and was accordingly marketed more vigorously."⁴ According to an article written in April of 1999, "an estimated 10 percent of homes [in Japan] have laser disk players and DVDs have been slow to catch on."⁵ The amount of LaserDisc players in Japan could be seen as an indicator as to why many anime fans first bought their anime on LaserDisc. With anime being a Japanese product and LaserDisc technology being more widespread in Japan than in America, it is no wonder that Japanese anime often appeared on LaserDisc rather than the then very new format of DVD. "Publius" created a database for recording anime that appeared on laserdisc, which has records of over two hundred anime movies and television shows. He writes of the importance of anime on laserdisc, citing that the result of laserdisc's popularity in Japan was "the development of the well-known 'omake' special video features, the often-spectacular package art, and the infinite variety of physical extras and premiums (production art, trading cards, board games, and even snippets of 35mm film prints to name a few) as enticements to the buyer, often accompanying package price equal to or less than that of the tape

³ NB: CALDC stands for Comprehensive Anime LaserDisc Census.

"Publius." <http://www.caldc.com/toplevel/general.html>. 30 January 2009. Census. 15 March 2013.

⁴ Ibid.

⁵ Flaherty, Julie. *The New York Times*. 29 April 1999. <http://www.nytimes.com/1999/04/29/technology/bittersweet-times-for-collectors-of-laser-disk-movies.html?pagewanted=2&src=pm>. Article. 15 March 2013.

version."⁶ These extras and special features undoubtedly appealed to anime fans, who at the time would pay exorbitant prices for anime that was not commercially available locally (if they could not get it through pirated means). Eventually, the upsides to LaserDisc (most significantly the special features and extras) would be crucial to selling anime DVDs in a culture that was familiar with and often relied on pirated media.

In America, however, VHS tapes and the videocassette recorder (VCR) were more popular and influential in affecting the growth of the anime community (and subsequently convention culture). Once the VHS and VCR were commercially available, the anime community began to flourish. This is because, aside from anime laserdiscs and legitimately bought VHS tapes, the anime trading market now contained illegal VHS tapes copied and subtitled by fans who would then trade them amongst each other. In the early years of fandom, before subtitling was an option, a fan might pay over a hundred dollars for a VHS copy of an anime without subtitles. Partially because of this expense and the difficulty in finding these VHS tapes for purchase in the first place, the trading community flourished. Though the quality of VHS tapes were not as good as that of LDs, the ability to copy multiple tapes at once was essential to mass fan distribution of anime. Walter was also involved with this, and he talked to me a bit about the process of illegally copying VHS tapes for fan distribution. He told me that "You had to mail tapes to people. If you want our stuff, send blank tapes and a self-addressed stamped envelope so that we can send it back and we'll copy them and send them... We'd plug VCR 1 into VCR 2 output VCR 2 into VCR 3 and on and on and on and so every copy down the chain got progressively worse. And this was the bane of tape trading at conventions, where you would hope you weren't the guy who got the VCR at the end of the chain with the black and

⁶ "Publius." <http://www.caldc.com/toplevel/general.html>. 30 January 2009. Census. 15 March 2013.

white copy with no sound."⁷ This diminishing of quality did not stop fans from trading, however, and neither did the lack of subtitles.

Anime was not popular enough to have its own conventions when it first started out. Rather, it was usually relegated to one room at a science fiction convention instead, where one would be lucky to get a VHS tape with sound and color. Fan subtitles were still a thing of the future in the late 1970s and early 1980s, but a fan might be lucky enough to get a hold of a transcript for the show to use at screenings, a summary of the show, or perhaps have a friend with a bit of knowledge of Japanese who would attempt to translate. Walter recalls seeing his first fan subtitled VHS tape in 1989 (though there were officially subtitled VHS tapes in Japan before this time, they were not in widespread distribution in the United States). Even though the film quality was grainy and the subtitled letters looked like "dot matrix printer lettering," he distinctly remembers thinking "this is a Japanese animated film with English words on it that were put there by fans. This is going to change everything."⁸ He was right: the ability for fans to subtitle (and consequently the rise of subtitled tapes) led to the trading of VHS tapes specifically subtitled by fans for fans. This practice of fan creation, started by early fansubbers and *dojinshi* (fan magazines) writers and artists, continues to be large part of the current anime fan community.

Fans as Creators

Despite using the above technologies to distribute anime and manga illegally, the growth and eventual change of convention culture relies just as much on the fan's use of technology to create derivative works of their own, effectively making fans creators in their own right. This has

⁷ Amos, Walter. Interview. Allison Hawkins. 27 July 2012.

⁸ Ibid.

contributed not only to the growth, but also to the *change* of convention culture from a small group of anime fans consuming original works to a large group of fans actively creating and consuming their own works.

At a typical anime convention, Artist Alley is the prime spot for fans to support fans. A name agreed upon by all conventions, Artist Alley is a space (often a hallway or corridor, hence the term) dedicated to the market of fan-created commodities. Artist Alley consists of both original fan works, such as manga or original character artwork, as well as derivative works based off of established anime shows. These derivative works can consist not only of drawings in media ranging from simple pen ink to gloss Photoshop prints, but also products such as homemade keychains, earrings, and hats. This puts the fans of Artist Alley in direct competition with the established dealers located at the convention, and thus an artist's creation of a derivative work can be seen as problematic in terms of its legality.

Similarly problematic are Anime Music Videos (AMVs) released for viewing or for competition at conventions. AMVs are fan-made videos that edit an original anime into a music video, often set to a song that lyrically matches the themes of the show or the psychology of a character. AMVs often tell new stories using the characters in the anime with the music, sometimes romantically linking two characters that were not involved in a relationship in the original show through the use of a love song, or else exalting a character through use of accompanying music. Other AMVs might be a sort of tribute or "in memorium" of a character who died during the course of the show. No matter what story they tell, AMVs are fan creations that have become an essential part of the convention community. It is not uncommon to see at least one if not two rooms devoted to showcasing fan-made AMVs, which can then be voted upon in contests. Discussions about the process of making an AMV or the merits of a video also

take place, making the convention space place not only for fans to showcase their own creations, but to encourage others and teach them how to develop creations of their own.

Perhaps the easiest way to see the way in which fan creations can change the convention scene is through a relatively new phenomenon known as the abridged series. Started by Martin Billany (LittleKuriboh) with his popular "Yu-Gi-Oh Abridged," in 2006, an abridged series is a fan-made parody of an anime show which involves editing a twenty-minute show into about seven minutes and re-dubbing it with jokes about the show. These have become extremely popular in recent years, especially due to how quotable the jokes are for anime fans. Creators of abridged series are now invited to conventions and are just as hyped as special guests from Japan. This indicates that these fan creators, much like fansubbers, become what Rayna Denison calls "fan objects."⁹ As a group, these fans are in a sense consumed as much as their work due to their "creator-as-star status."¹⁰ One only has to look at Billany to see evidence of this, as fans continually demand that he say things (oftentimes random) in the voices of their favorite newly-dubbed characters. This process of fan creation which leads to fans treating other fans as stars and creators in turn changes the convention culture, as fans begin to demand creators from their own ranks rather than or in addition to industry professionals.

Although they appear harmless, derivative works are actually just as illegal as the tapes traded in the early days of anime fandom. According to Sean Thordsen, a general practice attorney who specializes in intellectual property and entertainment law, derivative works often break current copyright law. In a series of articles about the law of anime fandom, Thordsen details how each derivative, from fanart to cosplay, can have the potential for a lawsuit. Though

⁹ Denison, Rayna. "Anime Fandom and the Liminal Spaces Between Fan Creativity and Piracy." *International Journal of Cultural Studies* (2011): Vol. 19. p.457. Web Document. 12 November 2012.

¹⁰Ibid.

a fan creator can defend themselves with arguments of Fair Use—which states that it is legal to use a work for purposes of criticism, comment, news reporting, teaching, scholarship or research—the classification of a derivative work can be debatable. For instance, while an abridged series "can arguably fall under parody [and thus under Fair Use law]—this does not completely absolve them as they still run the risk of a DMCA violation for ripping the original material and may arguably be considered a derivative work."¹¹



One example of cosplay as a derivative work. This fan at Anime Expo 2012 has constructed a costume of Blitzcrank from the popular online game *League of Legends*.

Artist Alley works and AMVs that are technically derivative works and not used for parody or satire, however, are also not protected by Fair Use. Thordsen writes that "Fanart and *dojinshi* (fan magazines) of actual characters can be considered a derivative work under the copyright holders' rights. As a result, the production of artwork using copyrighted characters can be considered an infringement. This includes work depicting multiple characters from different

¹¹ Thordsen, Sean. "The Law of Anime Part III: Defending Yourself." 22 February 2013.
<http://www.animenewsnetwork.com/feature/2013-02-22>. Web Document. 2 March 2013.

works as several infringements. Thus, crossover *dojinshi* or fanart infringe on multiple copyrights, once for each work involved in the crossover, and the artist can be sued by any of the creators."¹² Similarly, AMVs face two problems in copyright law. The first problem is identical to that of fanart and *cosplay*; namely that AMVs are a derivative work of the original author's creation. The second is that the music in an AMV presents a second infringement that is likely more problematic than the use of the anime.

The music in an anime music video is typically a full reproduction of the original copyrighted work and is distributed by the creator either online or to contests at various anime conventions. The distribution and performance of the original music, however, is a unique power of the copyright holder (the artist and performers of the original music). AMVs can and have been the subject of cease and desist letters over the music."¹³ This means that both the artists who sell their derivative work for profit and the filmmakers who create AMVs for showcase at conventions are technically breaking copyright law. Fortunately for the fans who participate in these two parts of fan creation, legal action is rarely pursued in these cases. This is because, as Thordsen points out that "it would generally be bad PR for a company to sue a fan artist or try to shut down Artist Alley as it would look like a clampdown on your primary consumer base over something that is (relatively) harmless...it is highly uneconomical to sue such persons as the profit being made is minimal and the costs of filing a lawsuit and paying an attorney is greater than the amount of money that could or would be gained by suing someone."¹⁴ Therefore, even

¹² Thordsen, Sean. "The Law of Anime Part II: Copyright and Fandom." 15 February 2013.
<http://www.animenewsnetwork.com/feature/the-law-of-anime/2013-02-15/2>. Web Document. 2 March 2013.

¹³ Ibid.

¹⁴ Ibid.

though fan creators are technically violating a copyholder's rights, legal action is pursued very rarely if ever due to the cost both in terms of public relations and finances.

One of the ways in which fans become creators, however, is particularly problematic in terms of legality. The process of fansubbing (fan subtitling of the original anime) is illegal according to Thordsen, but fansubbing can also be thought of as a way in which fans become creators using the original work. Thinking about translation as an art form rather than a mechanical process, current anime fans often debate the benefits of watching anime subtitled by one group over another, analyzing not only the quality of the translation in terms of word choice, spelling, and rendering into fluid English, but also points as small as whether the group included *romanji* (Romanized pronunciation of Japanese words) for singing karaoke to the opening theme song.

These debates and analyses amongst fans establish fansubbing as an art just as much as an illegal practice. In this case, it is the illegality itself that provides the means for artistic expression. As Rayna Denison writes in her article on the liminal spaces between creativity and piracy, "Fan subtitlers' distribution of anime is in many ways not unlike the work of other active fan-producers, who create ancillary texts ranging from fan fiction to fan art. However, in the case of anime, these fan texts are at the liminal edge between fan creativity and piracy. Essentially, this is because fan subtitled anime are texts augmented by, rather than created by, fans. These are the industry's own texts, re-translated and distributed for free by fans, and they are shaping the discourse between anime's most active set of fan-producers and the companies that originate their objects of fandom."¹⁵ What Denison refers to as augmentation rather than creation is, nonetheless, seen as a creative process by fans. Fansubbing groups, through their practice of what Denison refers to as "collective re-authoring," receive praise or criticism based on their

¹⁵ Denison, Rayna. "Anime Fandom and the Liminal Spaces Between Fan Creativity and Piracy." *International Journal of Cultural Studies* (2011): Vol. 19. p. 450. Web Document. 12 November 2012.

work, much like fans who sell their work in Artist Alley. The bigger problem posed by fansubbers, however, is the fact that they are competing with legitimate distributors. Denison writes that "older forms of anime distribution, including television broadcasting and now even DVD sales, are losing ground to online anime fan practices. It is perhaps for these reasons that Japanese and American anime distributors have begun to tackle fansubbing as piracy."¹⁶ Because of their effect on business and sales of anime, fansubbing is often looked upon as more detrimental than the derivative works of fan artists, writers, or filmmakers. Mostly because of their direct competition with established distributors, fansubbing groups are more likely to be presented with a 'cease and desist' letter from a legitimate company.

Fans also become creators in the way that current conventions are organized, operated, and run, dictating the administrative side of the convention through the same technologies that they use to distribute and create their own media. For instance, an important part of convention culture is the bringing in of artists, whether those artists are voice actors, directors, J-pop idols, Japanese fashion icons, or even scholars (relatively new in the field of anime). Fans help to dictate which artists they would like to see by being active on a convention website's forum, which is always open to suggestions for how the convention can improve and what the fans would most enjoy seeing. The number of fans discussing what they want to see at conventions and commenting on the successes or failures of the last convention is very large. Looking at three of the larger conventions I attended, one can see how many fans actively engage in convention discussion. Anime Expo's forum has 13,755 total members who have posted 591,146 times,¹⁷ Otakon's 10,514 members have posted 135,934 times,¹⁸ and Youmacon's forums boast

¹⁶ Ibid.

¹⁷ Anime Expo. <http://community.anime-expo.org/>. n.d. Community Forums. 20 March 2013.

8,794 members who have posted a 252,360 times.¹⁹ All of these large numbers (and the activity that I saw even as I retrieved this information), indicate a fan community that actively participates in improving and changing their convention experiences for the better.

Another large part of this forum activity is how it serves to encourage volunteerism and service for the convention. While many of the larger conventions, such as Anime Expo and Otakon, are run by larger organizations, other small conventions are organized and run completely by volunteers. I attended a small convention in Pontiac known as GodaikoCon this summer, and was surprised to find that most of the people in charge of helping the convention run smoothly were all volunteers hardly older than myself. A similar example can be seen in Ann Arbor, where the University of Michigan's anime club puts on Con Ja Nai every year—completely volunteer run and organized by the leaders of the club.

Leading up to and during the convention, many convention organizers are also turning to technology to create and run a better convention. During my stay in Baltimore, I interviewed Jennifer Piro, the Vice Con Chair and Correspondence Secretary for Otakon, who spoke about how Otakon organizers were beginning to use digital media as a way to interact with and reach out to fans. She has been with Otakon for five years, also serving as the social media director. According to Jennifer, technology has fueled the growth of conventions and has also been essential to connect with fans. About 21,000 people currently like Otakon's Facebook page, and about 7,000 follow Otakon on Twitter. After a member survey, Jennifer also made a Tumblr account to better connect with fans, which jumped to 600 followers in a week. Jennifer's response to what fans want in terms of communication shows how technology influences the

¹⁸ Otakon. <http://board.otakon.com/>. n.d. Community Forums. 20 March 2013.

¹⁹ Youmacon. <http://forums.youmacon.com/>. n.d. Community Forums. 20 March 2013.

way that fans are creating their convention experience, getting news and suggesting guests and panels to make the convention scene their own. Jennifer says that Otakon is continuing to use technology to make conventions more interactive, specifically through phones or texting. Though she said that she couldn't share specifics, things were currently being tested in order to gauge fan response so that next year (their twentieth anniversary), Otakon can both run smoother and can be more enjoyable for fans.²⁰

Similarly, as a member of the press at Youmacon, I was updated on my interview schedules via Twitter. While this system was not perfect (they later explained that this was the first year they offered press interviews), it is a sign of how technology is being used to reorganize and change the way conventions run on an administrative level. Much like Jennifer Piro's explanation about how Otakon was using Internet servers and ipads to help with internal organization as well as external relations to fans, Youmacon's attempt to use Twitter for organization suggests that conventions are also using this technology to help fans create the type of convention that will be most enjoyable for them.

Because of the use of technology both in legal organization and illegal distribution, conventions have expanded to include not only anime screenings, but panels on anime academia, cosplay, origami, and autograph sessions with notable artists. Dictated by fans via Internet forums, suggestions while at the convention, and fan eagerness to interact with special guests, conventions have expanded to include more niche interests (some not even anime-related) such as furry or brony culture (high school or college-aged boys who not only admit to but often proudly claim that they love *My Little Pony: Friendship is Magic* (2010)), much like the science fiction conventions of the 1970s dedicated a small room to anime. In this sense, fan use of

²⁰ Piro, Jennifer. Interview. Allison Hawkins. 29 July 2012.

technology to create their own works and also continually recreate the convention scene with suggestions of new panels and artists to include have placed anime conventions as spaces with which to promote other small niche cultures which have the potential to branch off into specialized conventions of their own in the future. More importantly, the active fan community's devotion to the growth and organization of conventions enables it to become something much more important than just a gathering of people with the same hobbies. The exponential growth of conventions made businesses take notice, and anime fans are now consumers in their own unique market.

Conventions as Marketplaces and Fans as Consumers

The establishment of the convention as a marketplace links the first phase of anime's presence in the United States with the second: the 1990s "anime boom." This second wave of syndication brought anime into the mainstream consciousness, particularly with popular shows such as *Pokémon* (1998) and *Bishōjo Senshi Sailor Moon* (*Sailor Moon*, in English) (1995). Consequently, conventions also changed into marketplaces to accommodate business's new interest in the now-mainstream market. Besides viewing rooms for both anime and AMVs and panel rooms, a typical anime convention today also consists of both a Dealers Room and an Artist Alley, equivalents of public marketplaces. Established distributors and fans alike sell merchandise related to their favorite shows, sometimes even in the same room. Once again, the legality of derivative works created by fans can be difficult to navigate—especially when those derivative works are sold for profit. This is especially true in a physical space that so closely connects licensed distributors and fan sellers.

In the Dealers Room of an anime convention, established sellers advertise everything from T-shirts to full body pillows. Wall scrolls are displayed above stalls, figurines sit in

numerous glass displays or else are stacked in boxes on tables, and costumes for cosplay (including accessories such as headbands, weapons, and colored contacts) hang on racks for easy browsing. This type of open marketplace is not a recent addition to conventions, either, as Walter suggests in his interview (science fiction conventions often included some type of Dealers Room for fans), but it has certainly grown over the last twenty years. What was once one small room has become multiple rooms or else one giant space (at Anime Expo, the room could be compared to half the size of a football field), and what was once a small selection of merchandise has expanded into a wide range of products for fan consumption. While DVDs and manga are still a part of this public space, a fan more often sees merchandise related to the show such as mugs, keychains, or backpacks, sold primarily by licensed distributors.



Fans and distributors alike gather in the Dealers Room at Anime Expo 2012 (Left) to buy a variety of products and merchandise (Right)

Tables and displays in the Dealers Room are not the only ways in which distributors attempt to get their product to fans. Recently, larger conventions such as Anime Expo in Los Angeles and Otakon in Baltimore are prime spots for distributors to advertise upcoming licensed projects to the anime community and create hype for new DVD releases. Aniplex and

Funimation both had panels dedicated solely to unveiling their newest acquisitions to a room full of cheering fans. This panel was equivalent to a one hour long advertisement, yet the room was full of fans eager to see what this distribution companies would be releasing in the upcoming months. These panels also served to encourage fans to go and legally buy DVD box sets of their favorite shows, which generally included promotional items as bonuses with the purchase.

Despite illegal downloading and fansubbing, anime DVDs are still in production and often sold at conventions. When they were first released, fans were critical of the new format and specific about the content that they wanted. Laurie Cubbison found a rather interesting post by UseNet participant Galen Musbach on rec.arts.anime.misc, an early Internet discussion group. Originally rec.arts.anime, the forum began to split into different sections as the Internet became more popular. Galen Musbach's post detailed what fans wanted from their DVDs, which indicates reasons why fans will still buy DVDs today. While some of these requirements may seem outdated to current anime fans, some still resonate as reasons fans continue to buy DVD copies of anime that they love. Here is Galen Musbach's list:

The criteria of the Hardcore Anime Fan:

- *Do not cut the video. Not even the [opening] and [end credits].*
- *Don't edit the video; digikinis aren't fooling anyone.*
- *Do not "localize" the translation by inserting US cultural elements; if we wanted to watch cartoons written for the US market, we wouldn't be buying anime DVDs.*
- *Don't rewrite the dialogue to suit US notions of political correctness (Yes, Tattoo Master, I'm looking at you).*
- *Don't insert vulgar speech into the dialogue of a character who isn't supposed to be vulgar.*
- *Don't insert 21st century culture references into a show set during the 1970's.*
- *Properly timed subtitles.*
- *Properly translated subtitles.*
- *Good voice acting and direction.*²¹

²¹ Cubbison, Laurie. "Anime Fans, DVDs, and the Authentic Text." *The Velvet Light Trap* Fall 2005: 47.

Some of these points, such as leaving opening and ending credits intact and not editing the video, are no longer problems in the anime DVD market because businesses now know what fans expect from buying an anime DVD. However, some of these points, specifically properly timed and translated subtitles without US localization, are still concerns for fans and are often reasons that fans turn to fansubs rather than DVD releases. I interviewed a few fans at different conventions asking them why they viewed fansubs rather than DVDs or online streaming from legitimate United States anime distributors, and nearly all of cited speed and lack of localization. These fans that I interviewed often said that fansubs just "came out faster" than the established distributors could release content on DVD (in some cases, it may take over a year for an anime to be released in a DVD box set for US consumption) and that by viewing something subtitled by fans for fans they felt more confident that a lot of the original Japanese cultural references would remain intact. However, some fans still prefer to buy DVDs because of the benefits of quality and of ease of access to both the subbed and dubbed versions of a show. As Cubbison writes, "the impact of DVD on anime is really based on its ability to do two things: turn subtitles on and off and switch between multiple audio tracks. This capacity of the format rendered the sub versus dub debate moot by providing a product both factions would buy and feel satisfied by the authenticity of their viewing experience...the ability to have multiple audio tracks, multiple subtitle tracks, and alternate visual angles do not simply add to the viewing experience as they do for a Hollywood film release; for the anime fan, these features resolve philosophical differences about anime viewing that have divided the community."²² Besides the ability to reconcile an

²² Cubbison, Laurie. "Anime Fans, DVDs, and the Authentic Text." *The Velvet Light Trap* Fall 2005: 55.

ongoing debate between anime fans (which can still be heard echoing throughout convention halls today), the introduction of DVDs to the market allowed fans to have a say in the products being produced and released. "Websites like Anime on DVD and the Anime News Network and Usenet groups like rec.arts.anime.misc put pressure on distributors by enabling contributors to spread news of acceptable and unacceptable releases throughout the fan community. The home video industry, from small anime companies to major distributors...have been forced to acknowledge anime fans as consumers willing to invest a substantial amount of money in products that meet their demands and scornful of products that don't."²³ Fan engagement as consumers is important to the convention scene in particular, where a part of the convention is dedicated to being a marketplace for fans to both sell and purchase products, acting both as creators and consumers.

To better understand the establishment of conventions as marketplaces, one must examine the way in which fans consume anime and manga and how businesses have and currently do cater to that consumption. Tim Eldred, an older fan of anime particularly interested in the role *Space Battleship Yamato* played in the rise of fandom, also explored how businesses related to fan consumption during the early years of anime. As Eldred pointed out in his panel about *Yamato* at Anime Expo 2012, anime distributors at the time were not marketing toward the target audience of the show. In fact, one of the problems that early anime fans ran into was the lack of merchandise available for young adults or adults rather than children. Though older fans were drawn to anime because "whereas in America the comic books and cartoons didn't stray very far from the humor or super-hero categories, Japan already had many genres to choose from...the studios and networks who made TV manga [an older term for anime] did follow the

²³ Ibid.

American business model, which was reliant on merchandising. In order to create merchandising, you had to have a target audience, and the business model said the target audience was children...If you were a little older the studios and networks weren't very interested in you."²⁴ This meant that early anime fans had a difficult time finding merchandise that would satisfy them, making it so that, after a little while, they would "grow out" of anime. Eventually this led to fans creating their own content for circulation, including fan magazines and artwork. Businesses saw this and ultimately changed the business model to accommodate older fans, which in turn led to the anime fan community (shown specifically in the convention scene) into a profitable market.

The tendency of US anime distributors to market toward children, however, also continued well into the mid to late 1990s, with the "anime boom." In a later section I will further discuss the way in which US syndication of anime related to fan consumerism, but right now it is relevant to explore the connection between the way that anime marketers focused on children both in the 1980s and the 1990s. In the late 1990s and early 2000s, this focus on children may have had another purpose. According to a graph published by James U. McNeal, the 1990s marked a period in which children had more spending power in the U.S. and thus became a more prominent target for advertisers.²⁵ Two shows—*Sailor Moon* and *Pokémon*—provide excellent lenses through which we can look at this phenomenon. A show such as *Pokémon*, with its multiple tie-ins (i.e. the toys, trading cards, or video games) was even more appealing to the US and ultimately global market. By 2005, *Pokémon* had made over fifteen billion in global profit

²⁴ Eldred, Tim. *Space Battleship Yamato* 29 June 2012. Panel.

²⁵ Children and the Media (COMM482) class PowerPoint presentation graph. Information adapted from James U. McNeal.

from merchandise, with over a dozen games produced.²⁶ Similarly, the *Sailor Moon* franchise, with its cute cat mascots Luna and Artemis and its signature fashion for the Sailor Scouts, provided ample opportunity for the creation of stuffed animals, backpacks, folders, and dolls. Napier comments on how "both the volume and variety of *Sailor Moon* products advertised on the Japanese version of the television show are mind-boggling. Most important of the products are the *Sailor Moon* dolls."²⁷ Though this advertising during the show did not make it into the American version of the show, the dolls that Napier mentions were available in the U.S. Writing in the late 1990s, Mary Grisby commented on how "Pagoda trading company will produce *Sailor Moon* athletic footwear, canvas sandals, slippers, slipper socks, weather boots, and beachwear" to go along with DIC Entertainment's "warm-up suits, skirts, sweatshirts, knit dresses, and T-shirts."²⁸ The sheer amount of merchandise available, though much of it was still marketed toward children, shows a shift in how businesses were relating to fans. For example, although the *Sailor Moon* fashion accessories that Grigsby mentions were geared toward young girls, an older *Sailor Moon* fan would have the option of buying folders. Similarly, a fan of *Pokémon* might enjoy collecting the cards even if he or she was too old to want the children's toys. These two shows are, of course, geared toward children, but the concept of an increased variety of merchandise to appeal to older fans as well as younger fans still stands. Even if the market was still heavily focused on children, as it was in the 1980s, the 'anime boom' gave the market the chance it needed to expand and appeal to multiple ages of fan consumers. As seen in the Dealers

²⁶ Allison, Anne. *Millennial Monsters: Japanese Toys and the Global Imagination*. Berkeley: University of California, 2006.

²⁷ Napier, Susan. *The Worlds of Japanese Popular Culture: Gender, Shifting Boundaries and Global Cultures*. Cambridge, UK: Cambridge UP, 1998

²⁸ Grigsby, Mary. "Sailormoon: Manga (Comics) and Anime (Cartoon) Superheroine Meets Barbie: Global Entertainment Commodity Comes to the United States." *The Journal of Popular Culture* 32.1 (1998): 59-80.

Room at current anime conventions, the range of merchandise has expanded to include all sorts of goodies for the fan consumer, who now has multiple distributors to choose from due to the increase in US anime licensing and distribution.

Anime Distribution and Licensing

The current state of anime distribution and licensing in the United States is intimately linked to both fan creativity and fan consumerism. The way in which US anime and distribution companies have started and grown in the last fifteen years primarily has depended upon their relationship and response to the fan-created culture and their use of technology to further their business ventures. Starting as early as the 1980s, businesses have had to draw on and work with the illegal actions of fans in order to turn a profit.

In 2012 the Anime News Network released a series of articles detailing how a United States publisher and Japan licensor work out terms and agreements for legal anime distribution in the United States. The process is often long and arduous, but starts simply, with representatives from both companies meeting at an exposition and then spending some time together (usually over drinks). The two then come to an agreement and write up a contract (often with long negotiation periods) which, once signed, allows the US publisher to distribute the anime.²⁹ This is important to understand not only because it allows one to get a sense of the amount of how much time it takes for a publisher to gain rights to a series, but also because it shows how the first interaction between the two companies is often a personal one following a large-scale exposition of content by a large number of production companies.

²⁹ Sevakis, Justin. "All About Licensing: Part I." 11 June 2012. <http://www.animenewsnetwork.com/feature/2012-06-11>. 2 March 2013.

With so much content available, how do US publishers choose what to license? During the late 1980s and early 1990s, when now-large anime distributors like Viz Media and Funimation were just getting started, many of these decisions were made by looking at the illegal actions of fans. Shows such as the popular *Ranma ½* (1989), *Fushigi Yuugi* (1995), and *Azumanga Daioh* (2002) all obtained legal licenses because of the popularity of their fansubs.³⁰ Had the fans not been trading and distributing fansubs, these shows would never have obtained legal licenses and, importantly for a popular show like *Ranma ½*, broadcast time.

Television syndication, which initially inspired the growing anime community in the United States, became increasingly important to businesses as the demand for syndicated anime grew in the mid-1990s. The demand for televised anime was directly linked to the way in which businesses began to increasingly market to the anime fan community, which by this point was large enough to be a profitable marketplace. If the initial run of *Star Blazers* in the late 1970s was what tipped fans off to the fact that it was Japanese and thus inspired the desire for further consumption among the fans, the popularity of both *Sailor Moon* and *Pokémon* showed businesses that the anime fan community was a viable marketplace worth time and attention.

The mid to late 1990s marked a startling period of growth for televised anime, with time slots and even entire channels specifically created for the medium. The Cartoon Network (launched in 1992) and a block of the WB denoted as the Kids WB (launched in 1995) are both examples of channels that highly benefited from their syndication of Japanese anime. Though they started as outlets for American cartoon programming, by the end of the 1990s both the Cartoon Network and the Kids WB had embraced Japanese anime as a major part of their lineup, primarily due to the success of these two shows—and the potential that they had for profitable enterprise. One example of a channel's effect on widespread syndication and the spread of anime

³⁰ Mantyla, Teemu "Piracy or Productivity: Unlawful Practices in Anime Fansubbing." 2010.

was Cartoon Network's Toonami block, which premiered in 1997 and ran until it was cancelled in 2008. Though it originally started as a cartoon action block (with mostly American cartoons), Toonami quickly became the place to watch anime, switching into an anime-heavy lineup in 1998 with *Sailor Moon*, *Dragonball Z* (1989), and *Robotech* (1985). Many current anime fans cite Toonami as being their first exposure to anime, and the block's influence is well-recognized even by the network. In April 2012, as an April Fool's joke, Cartoon Network's programming block called Adult Swim aired Toonami (which was instantly recognized by the block's narrator, TOM), instead. After seeing how many viewers tuned in to watch the block, the network asked whether or not fans wanted it back via Twitter. About a month later, they announced that Toonami would be getting a revival, again via Twitter.³¹

The impact and revival of Toonami can be viewed as a window into the popularity of anime during the 1990s and 2000s. It is rare for any programming block to run for ten years, and prior to the 'anime boom' it would have been unthinkable for a programming block to last half that long when its major draw was foreign animation. However, because of the success of anime syndication on channels such as Toonami, the awareness and popularity of anime increased. Furthermore, the amount of fan support and fan interaction through the use of technology to result in a revival of the block shows how syndication helped to create a market for anime and fostered communication between fans and businesses.

Though the general demand for anime was increasing during the 1990s and 2000s, the business model was mostly still geared toward children because the most successful shows were children's shows. In 2004, one author noted that, in America, children are the target audience for all animation, but that in Japan animation was geared toward multiple audiences with multiple

³¹ *Toonami: A History* 28 July 2012. Panel.

genres.³² The focus on children for anime in the 1990s and early 2000s was not just because America has typically geared animation towards kids, whether it be Saturday morning cartoons or Disney movies (though that certainly is a factor). Another aspect to consider is that a child's spending power in the 1990s was higher than ever before, thus they were a prominent target for advertisers. One article from 1999 cites the target audience for *Pokémon* as being primarily kids ages five to twelve, and that Pokémon has a specific 'psychological' appeal to children because it "combines the nurturing of Tamagotchi and the collectability of Beanie Babies....Kids get it and they understand it, and their parents don't."³³ The focus on kids as having a psychological connection to Pokémon due to both its collectability and sense of companionship (Pokémon are used both as pets that a child may 'raise' and 'teach' and as objects meant to be collected and used for battle) naturally leads to the market recognizing them as the target audience.

And that target audience has been profitable. The Anime Network, a video-on-demand channel run by A.D. Vision (which later sold its assets to multiple companies) was available in 28 million homes and was one of Comcast's most popular on-demand channels, just behind music channels and premium stations such as HBO. Related to this influx of anime, merchandise was also a large source of profit. The Japan External Trade Organization (JETRO) reported in 2002 that the American anime business topped 520 billion yen (approximately \$4,359 billion). Toys, games, and character product licensing (which included television broadcast) accounted for \$3,937,000,000 of this market, while video and DVD sales accounted for \$414,000,000 and movie receipts brought in \$8,110,000. This was the year that Hayao Miyazaki's *Spirited Away* (2001) won the Academy Award, resulting in more interest in anime. As shown by these figures,

³² Halsall, Jane. "The Anime Revelation." *School Library Journal* 50.8 (2004): 6-13.

³³ Raugust, Karen. "Gotta Catch 'Em All." *Publisher's Weekly* 246.49 (1999): 29-31.

the bulk of anime's profits came not from widespread theatrical release but from television syndication and related merchandise.³⁴

These numbers ultimately led to an increase not only in children's marketing but also to marketing for teens and young adults. While the 'anime boom' may have ended, the industry is still profitable because of fans' eagerness and desire to consume. According to statistics published by the Anime News Network in 2011, the anime market in 2009 was still highly profitable, though significantly less so than in the height of the 'anime boom.' JETRO reported that in 2009 the US market value for anime was 2.741 billion. Character goods make up \$2.420 billion (about 60 percent of those *Pokémon*-related), and DVDs for \$306 million. Though these represent a significant drop from 2002-3, the market has been relatively stable in recent years, and has even shown slight increase in some areas. For instance, in between 2008 and 2009, though the DVD market has fallen (from \$312 to \$306 million), the sale of character goods has increased by close to \$100 million and the profit from film has increased from one million to \$15 million.³⁵

What this shows is that, while DVD sales may be suffering, the anime community is still turning a profit from related merchandise that fans are still buying legally. Growing convention attendance has further expanded the anime market, and although certain types of merchandise may not be selling as well, Dealers Rooms are still packed with businesses trying to profit off of the constantly increasing market. The amount of money gained from convention attendance has also increased, with Otakon growing from 29,337 attendees in 2011 to 30,785 in 2012 and

³⁴ JETRO. "US Anime Market Value." 24 July 2003. <http://www.animenewsnetwork.com/news/2003-07-24/us-anime-market-value>. 21 March 2013.

³⁵ Ibid.

Anime Expo having an estimated 47,000 guests in 2011 and 49,400 attendees in 2012.³⁶ This shows that despite a decrease in profit since the anime boom, the fanbase of anime (based on convention attendance) is still growing. Interesting to note is that Otakon in Baltimore, currently the second biggest convention and the biggest one on the east coast, has never seen a decrease in attendees in its eighteen years of existence, suggesting that the market for anime has only increased as well.³⁷

It is also interesting to note that, much like *Star Blazers*, part of the appeal of 90s anime was its inherent "Japan-ness." *Pokémon*, for instance, has an obvious Japanese element. As Joseph Tobin, author of *Pikachu's Global Adventure: The Rise and Fall of Pokémon*, writes, "the aesthetic style of the Pokémon television show and movies is representative of the Japanese manga and anime tradition that features a clean, flat drawing style, a lack of fluid motion (in marked contrast to the great three-dimensionality and realistic motion of characters in the Disney and Warner Brothers cartooning) and such movie-like effects as overhead, tracking, and point-of view shots and the inclusion of special-effects shots, such as split screen and the interpolation of negative images."³⁸ It is precisely this difference from American animation that drew fans to the show, much like anime fans of the 1960s-80s were drawn to *Speed Racers* or *Star Blazers*. *Pokémon* also includes plot elements traditionally associated with Japan, further emphasizing this idea of the new and different. These include elements such as "the *sensei-deishi* (master-disciple) relationship between Satoshi (Ash) and Professor Okido (Professor Oak) and Satoshi's quest, in the Japanese martial arts tradition, to climb the Pokémon trainer ranks until he reaches

³⁶ Otakon. http://www.otakon.com/history_stats.asp. n.d. Statistics. 2012 13 November. animecons.com

³⁷ Otakon. http://www.otakon.com/history_stats.asp. n.d. Statistics. 2012 13 November.

³⁸ Tobin, Joseph Jay. *Pikachu's Global Adventure: The Rise and Fall of Pokémon*. Durham: Duke UP, 2004.

the level of Pokémon Master."³⁹ Because of these differences from the majority of American animation at the time, Japanese anime was looked upon as being new and exciting, and thus desirable for the child consumer. More importantly, anime (and the advertisements that came along with it) were easily accessible through syndication on major network channels. This in turn led to an increased interest and awareness of anime for kids in the late 1990s and early 2000s, and, unlike fans before them, they could use the now-commercial Internet to search for more information on their favorite shows and interact with other fans more easily. Perhaps more worrisome to businesses, however, was their ability to join the growing community of fan distributors.

Fans as Local and Global Distributors

The commercialization and expanded use of the Internet marks the third phase of anime's presence in the United States, both in its relation to established business and to fan creation as well as distribution. Much like the postal service, the Internet, while not illegal in and of itself, was used to encourage illegal trade among fans and, eventually, illegal streaming of fan-subtitled (fansubbed) video. The advent of the Internet marked a shift in the way that early anime fans communicated and connected with one another. They did this primarily through UseNet, described in 1998 by Shawn McCarthy, an editor for *Logistics Management*, as

A chaotic jumble of mixed messages...it's the Internet's main 'bulletin board,' where important information appears long before it can be found on mainstream Web sites" and

³⁹ Ibid.

that contained "valuable nuggets of logistics business information, such as requests for proposals and transportation rates, buried in UseNet's 20,000 message categories...one recent study estimates nearly 30,000 people post message to UseNet each day—and that roughly one million read those messages. Hundreds of megabytes of new data join the stream every day. UseNet topics range from finance to firefighting to fishing.⁴⁰

Much like Reddit is today, UseNet was a prime way to get news, information, and to connect with others on a variety of topics. This was definitely the case for the anime community, which used rec.arts.anime as its primary discussion space. McCarthy's article, however, was written after the Internet became open commercially to the public in 1995. In reality, UseNet was around long before the Internet gained widespread public attention. Walter remembers using rec.arts.anime while he was in Grad school, saying that the people who were "technological nerds at a University" could get access to it before the general public. He recalls that when *Time* released a cover in 1995 talking about what the Internet was and why the public needed to know about it, he and other fans (even international ones) lamented that what was once their niche thing was now in the public consciousness and would soon become commercial.⁴¹

The commercialization of the Internet in 1995 allowed for increased illegal distribution of anime. A survey conducted in 1995 about the institutions using the Internet found that while 36.9 percent of users were indeed commercial institutions, 17.9 percent of users were classified as Academic Libraries, with another 17.9 associated with the US government.⁴² This supports

⁴⁰ McCarthy, Shawn P. "Using UseNet is a Challenge, but Rewards are great." *Logistics Management and Distribution Report* 37.4 (1998): 89.

⁴¹ Amos, Walter. Interview. Allison Hawkins. 27 July 2012.

⁴² Perry, Clifford. "Travelers on the Internet: A survey of Internet users." *Online* 19.2 (1995): 29-34.

Walter's recollection of the exclusivity of the Internet as well as the importance of being affiliated with a school (or the government) in order to access it. Since this survey was conducted in 1995, it is no wonder that there was a spike in commercial institutions, but it is important to note that those early users of the Internet (those in academia or government) were still a large portion of Internet users in the Internet's early commercial stages. Out of the 84 respondents in Perry's survey, 55 percent had used the Internet for less than one year, and 57 percent of the respondents felt that the Internet was difficult to use. However, once they were comfortable with the new technology, 80 percent began using the Internet regularly within six months. 42 percent began to use it within one month.⁴³ Though this survey has few respondents, it does suggest that while the Internet was difficult for new users to master at first, it quickly became a leading technology for the gathering of textual information, graphics, and audio.

Even in the early years of the commercial Internet researchers discussed the potential for video and audio streaming as well as the problems it may pose to copyright law. In October of 1998, Researcher Kristine R. Brancolini wrote that "while many developments have improved access to audio and video over the Internet, it is not yet a viable distribution medium...Users are hampered by inadequate infrastructure, competing standards, and the need for an expensive computers, not to mention a fairly high level of computer expertise."⁴⁴ Brancolini further notes that early attempts at delivery of audio and video over the Internet featured "short video clips [that] for the most part [are] public domain materials. This suggests both technological barriers and copyright barriers to the widespread use of the Internet for this purpose."⁴⁵ Despite these

⁴³ Perry, Clifford. "Travelers on the Internet: A survey of Internet users." *Online* 19.2 (1995): 29-34.

⁴⁴ Brancolini, Kristine R. "New and Emerging Video Technologies: A Status Report." 29 October 1998. <http://www.dlib.indiana.edu/~brancoli/videostatus.html#3>. 1 March 2013

⁴⁵ Ibid

copyright barriers, Brancolini speculates of a future in which broadcasting has moved to the Internet from television. She writes:

I have been watching the situation with regard to video on the Internet for at least five years. In the past two years, the one of the most significant developments has been streaming technology. Streaming delivers the audio and video files in real time, rather than downloading them to the client's computer. For content providers like Scott Alexander of *The Red Hot Jazz Archive* it means that he can include 1,000 pre-1930 jazz recordings, many of which are still protected by copyright. Rather than distribution via the Internet, I now read about broadcasting over the Internet. Streaming may allow media companies to transform the Internet into the next great broadcast medium. The number of radio stations broadcasting 24 hours a day on the Internet jumped from 351 last year to more than 1,100 in February 1998 (Internetweek, 2/23/1998, Issue 703, p.1). Walt Disney is beta testing a multicasting service for movies. NBC has introduced a new video entertainment service on nbc.com. Streaming makes this possible."⁴⁶

Though Brancolini was primarily looking at the way in which the Internet might be used for accessing library video, her speculations are relevant to the way in which the anime community would eventually use the Internet to distribute fansubbed anime internationally, though this was legally problematic due to the copyright issues Brancolini notes even as early as 1998. Her ability to see how media companies might use streaming over the Internet as a new form of broadcasting is also insightful, and foreshadows the way in which anime fans eventually used the Internet not only to illegally distribute original material, but also to broadcast their own.

⁴⁶ Ibid.

The issue of fan distribution (both of their own derivative works and of illegally obtained official works) is multi-faceted, with both positive and negative effects on the anime industry. However, I believe that the benefits of fans becoming distributors have outweighed the problems that the issue has posed to the industry.

In the 1970s and 80s, fan distribution was localized. Individual fan interactions and the trading of illegal VHS tapes or LDs did not pose a problem for major distributors simply because there were not major distributors of anime based in the US market and it was hard for international distributors to recognize and combat what was going on within the US on a 'local' level. When the Internet became commercial in 1995, however, fans discovered new ways to communicate with each other and, perhaps more importantly, become global rather than merely local distributors.

The growth of the Internet has made global distribution amongst fans increasingly easier, facilitating the growth of anime fandom and convention culture. The distribution of fansubs and raw episodes through the Internet greatly contributes to the growth of the culture because it provides fans with ease of access. As one author states, "the Internet and other digital distribution systems are delivering an increasing portion of the overall volume of media content."⁴⁷ Viewers can see this in American television with services such as Netflix or with episodes from a show such as *South Park* (1997) streaming online within a day of televised syndication. Furthermore, as a whole the media system is "in a state of flux. In many ways, there is far less control over the distribution of television, or video, programming and other forms of content...digital technologies put far greater control over the means of production and distribution in the hands of

⁴⁷ Pavlik, John V. *Media in the Digital Age*. New York: Columbia UP, 2008.

the individual rather than in the grasp of corporations."⁴⁸ Individuals now have an increasing role in creating and distributing media, shown through blogs and websites such as Youtube.

While the Internet and, by the consequence, the changes in distribution affects all parts of the media system and various cultures, anime culture relies on Internet distribution to grow. In her book on anime, Susan Napier points out that

It is possible that anime and manga would have remained niche phenomena had it not been for the Internet. Early Western anime fans often tended to come from the scientific and technological fields and were thus early users of the Internet; and the earliest fan clubs used mimeographed newsletters and 'zines,' anime-related Internet chat groups developed with impressive rapidity. In 1994, *Wired* magazine ran an article on anime fans that suggested that they were the most 'wired' fan subculture in existence.⁴⁹

Perhaps one reason why the anime subculture in particular was so wired has to do with the Internet being a source of distribution as much as communication. When the community was still small and based locally, fans would have had to find and trade tapes in order to get the anime that they wanted. The early version of the Internet, by allowing long-distance communication, consequently allowed for the distribution of new series as fans began to talk about what series they had with others and make arrangements for trade. Presently, anime fans are arguably still one of the more wired subcultures due to the same reason. One of the few ways

⁴⁸ Ibid.

⁴⁹ Napier, Susan Jolliffe. *From Impressionism to Anime: Japan as Fantasy and Fan Cult in the Mind of the West*. New York: Palgrave Macmillan, 2007.

that an anime fan is able to view anime (especially recent anime) is through the Internet, and this is both the easiest and fastest way to get a hold of any series, especially a series that has not been licensed by an established distributor. Because anime is foreign, fans rely on the Internet for distribution of the most recent shows, as well as those shows not licensed by American entertainment companies. For example, a fan may gain an initial interest in anime through the American adaptation of *Yu-Gi-Oh!* (2000), but will not be able to consume most of the franchise without going online and searching other seasons of the show which have not been licensed for American audiences but have been subtitled by fans. Similarly, if one wants to watch current anime TV shows, one has to use the Internet and rely on these fansubs (fans subtitling anime for other fans) unless one knows Japanese. Even then, one has to search the Internet for a 'raw' (unsubtitled) version of the anime series and episode in order to view because it is impossible to find elsewhere. Fansubbing, streaming, and downloading anime has become so commonplace that entire websites are now dedicated to anime distribution by fans. The ease of access provides longtime fans with a way to keep up on the newest anime from Japan as well as the ability to rewatch favorite series in the digital age. Similarly, fan produced and distributed videos are now easier to share with new fans of the culture and contribute to the overall growth of anime subculture.

Surprisingly, commercial Internet use also facilitates the continued piracy of both legitimate and fansubbed VHS tapes and LDs. Besides widespread commercial and business sites such as Ebay, Amazon, or Craigslist, websites such as animepast.net are set up for communication between anime veterans, along with the continued trading of VHS and LDs. Veterans will list what they have available to sell or to trade for titles that they are missing, and some will even ask for a self-addressed stamped envelope and a blank tape for an exchange,

hearkening back to the early days of anime fandom. In this way, one can see how the Internet has connected the material exchange of anime to the digital age, as well as how it connects what was once a rather localized exchange to one that is increasingly global. So long as these sites remain up, an international anime fan from Australia or Europe, who a fan may not have had any way to contact previously, could participate in the exchange of anime. The question to ask, then, is whether or not such widespread illegality made possible by current technology can still be beneficial to businesses and artists.

In an interview with Masao Maruyama, co-founder of Madhouse, a Japanese animation studio, piracy still has a giant effect on the industry. The problem, he said, is that right now "there is no real conclusion...it's something that can't really be held back."⁵⁰ To clarify and expand, another member of Madhouse had this to say:

When you're trying to distribute anime on a global market, you need to follow the rules of each respective country. Each country has their own copyright laws and you're generally selling rights to your work on a country by country basis. Now, piracy is something that is a general problem because the Internet doesn't have any boundaries. So if there's piracy going on then it defeats the purpose of buying the original rights. So it's one of the greatest challenges and problems that we face in distributing anime to a global audience.⁵¹

⁵⁰ Studio Madhouse. Interview. Allison Hawkins. 28 July 2012.

⁵¹ Ibid.

The founders of Madhouse have good cause to worry about piracy and the availability of the Internet. An article written in 2007 suggests that, according to Solutions Research Group, more than 80 million American have used peer-to-peer technology to download a pirated video title or song, and more than 50 million used it monthly. In 2006 alone, consumers used peer-to-peer systems to swap at least 12 billion files in the United States.⁵² Despite this rise of Internet piracy, a study conducted in December of 2010 by Envisional reveals that very little (1.5 percent) of the content that is downloaded using popular torrenting software BitTorrent is actually anime. This is a relatively small percentage of everything actually downloaded illegally, behind pornography (at number one with 35.8 percent), movies (35.2 percent), TV shows (12.7 percent), software (4.2 percent), PC games (3.9 percent), music (2.9 percent), and console games (2.8 percent).⁵³ Piracy also does not deter fans from purchasing merchandise, as one survey conducted in 2011 found that, "of the 107 surveyed, 54.4 percent of people said that they had bought merchandise from an anime series for themselves. Some had purchased anime merchandise, but only as a gift for a friend (8.7 percent), and others had never bought anime merchandise for themselves but had someone else who had purchased it for them (6.8 percent)."⁵⁴ Though the sample size is small, the packed Dealers Rooms at conventions indicate that the consumption of merchandise can still recover some of the profits lost by anime piracy.

To some artists, however, the money is not the issue. Another important aspect of fan piracy is the ability that it has to create demand amongst fans. Dai Sato, one of the writers behind hit shows such as *Cowboy Bebop* (1998), expressed his delight in a larger number of fans seeing

⁵² Whitney, Daisy. "'Pirate' Technology Is Now Going Legit." *TelevisionWeek* (2007): 7-20.

⁵³ Envisional. *An Estimate of Infringing Use of the Internet*. Survey. Worldwide: Envisional, 2010.

⁵⁴ Chambers, Samantha Nicole Inëz. "Anime: From Cult Following to Pop Culture Phenomenon." *The Elon Journal of Undergraduate Research in Communications* (2011): 94-102.

his work. The money, he explained, was not as important as the widespread access and increase in fans. As a creator, he said that it made him feel very grateful and happy to know that fans are enjoying his work, even if they are not paying for it.⁵⁵

One study suggested that fans are paying for the work that they love, though. The survey entitled "Anime and Manga Consumption Practices," conducted in 2010, found that although 13 percent of respondents did not spend money on anime in the last 12 months, 64 percent have spent more than \$100 and almost 25 percent spent more than \$500. The survey also found that about half of those who purchase anime said that they need to sample or even complete an anime series before they buy it. These two statistics suggest that while some fans do not buy anything, those who do spend a great deal. If the second statistics represents the norm of the anime community, then, one can reason that fans using piracy to sample (if piracy is indeed their means of sampling) may then go on to purchase the series in physical or digital form.⁵⁶ Although this survey only had 68 respondents and those respondents were members of the Anime News Network Community (indicating that they were invested anime fans), I believe that the study still can provide insight into the community as a whole. Specifically, because these fans are so invested, one can establish that the driving force of the anime community does have knowledge of and seems to care about the state of the industry in terms of business. Since such a large percentage of respondents spent a great amount on anime, one can conjecture that other such invested fans may make up for the fans who do not spend any money because they are not as invested.

Cutting down on piracy (especially Internet piracy) becomes difficult when it is both so widespread and so easy to accomplish. BitTorrent, an open source program used both by

⁵⁵ Dai Sato. Interview. Allison Hawkins. 28 June 2012.

⁵⁶ Fu, Jennifer. "Piracy as Promotion." Survey. 2010.

legitimate companies and Internet pirates, made sharing large files easier by breaking the file into smaller pieces and distributing the workload amongst multiple computers. BitTorrent's popularity and success were proven when a company called Red Hat introduced a new open source version of Linux. "Within three days, the people downloading this program traded 21.15 terabytes of data—equivalent to more than all the books in the Library of Congress. At the peak, nearly 4,500 computers were swapping pieces of the file at any one time, uploading and downloading 1.4 terabytes each second."⁵⁷ As one can guess, this technology makes it easy for fans to pirate anime, but it can also help publishers distribute its trailers to many fans at once.

Even though anime piracy is rampant, businesses have chosen to ignore it based mostly on the grounds that it is not financially viable to combat it in court. The few court cases that do exist have only come about in recent years, and often with inconclusive results. In searching for cases specific to anime copyright infringement, I only found two cases in which fansubbers or Youtube users were sued for their actions regarding anime specifically. In 2011, Funimation sued 1337 anonymous users for copyright infringement by using BitTorrent to illegally download episodes of one piece. After six months, however, Funimation had dropped charges against all but one of the users. In another month, they dropped the final user.⁵⁸ The case was ultimately dropped because it was determined that Funimation would have to sue each user individually after finding out their identities using their IP addresses. Perhaps surprisingly, Crunchyroll has recently filed suit against 13 users for copyright infringement, citing that they have ignored cease and desist letters repeatedly. Crunchyroll terminated their case against 9 of the 14 defendants in September, and the hearing for the remaining five defendants is set for April

⁵⁷ Roth, Daniel. "Torrential Reign." *Fortune* (2005). Web. 7 February 2013.

⁵⁸ Funimation Entertainment vs. Does 1-1337. No. 11-cv-147-F. United States District Court Northern District of Texas. 10 February 2011.

12, 2013.⁵⁹ This case is thus currently inconclusive, but the lack of legal cases despite the widespread lack of piracy indicates that businesses are aware of the power that fansubbers have over the fanbase.

One interesting fact to note is that Funimation, currently the largest anime distributor in the United States, has made a distinction between fans and established businesses, as well as between animation and live action. While searching for court cases regarding anime, I found another Funimation case in which the company sued BitTorrent users for illegal downloading of the live action film *The Legend is Born: IP Man* (2010). Funimation has yet to drop this case for all defendants, indicating that there may be some difference in how a business views downloading anime illegally versus downloading a live action film.⁶⁰ More telling, however, are two cases in which Funimation sued smaller businesses that were illegally selling licensed merchandise at conventions. The first case, *Funimation vs. Ro*, was filed in August of 2008. Funimation sued Haeyong Ro for illegal advertising and selling of licensed titles on his website, after Ro refused to respond to Funimation's cease and desist letters. In July of 2010, the court decided in favor of Funimation. Ro had to pay \$346,302.35 in damages and legal fees.⁶¹ A similar case filed recently may result in the same outcome. *Funimation vs. Timmons* was filed in February of 2013. In this case, Funimation is suing a business owner for continuing to sell copyrighted merchandise after receiving multiple notices and cease and desist letters. Timmons,

⁵⁹ Crunchyroll and TV Tokyo vs. Basil Hawkins, Dominik Ichiga, Susuke Uchiha, Aria Admiral, John Jones, Moe Ahmad, Trevort West, Treyston Kings, Eazy Andre, Racine Boumedo, Andres Nielson, Adam Magyarfa and William Barrera. No. CV 11 2334. United States District Court Northern District of California. 11 May 2011.

⁶⁰ Funimation vs. Does 1-1427. No. 2:11-cv-00269. United States District Court for the Eastern District of Texas Marshall Division. 27 May 2011.

⁶¹ Funimation vs. Hae Young Ro. No. CV08-05191MMM. United States District Court Central District of California. 7 August 2008.

unlike Ro, was selling his merchandise primarily at conventions rather than on the web.⁶² It is important to recognize, however, is that the large anime distributor makes a distinction between fans and businesses in terms of pursuing cases concerning illegal activity. Neither Ro nor Timmons are mere fans selling their derivative works in Artist Alley. Instead, they are established small businesses selling original merchandise that is often bootlegged. While cases involving fan downloading have been dropped due to the sheer number of defendants, the one case against a business (and a smaller number of people) has resulted in a win for Funimation. This suggests that, for Funimation at least, it is worth the time and money to sue established businesses for physical merchandise rather than a large group of fans for online downloads.

While these court cases did not prove the best way to cut down on anime piracy, the action suggests a growing uneasiness when it comes to the fan creator/established distributor relationship. This comes as no surprise, as many large anime distribution companies such as Streamline, Central Park Media, A.D. Vision, and Tokyopop have gone out of business in the last five years. Whether or not this is connected exclusively to piracy is unclear, as there are a number of determining factors that cause any business to fail. However, what is clear is that businesses have found that they need to adjust in order to stay profitable in an industry formed primarily by fans. Tim Eldred pointed this out in his talk on early conventions. He emphasizes that "the most important steps [in helping anime become a global commodity] were not planned by a production committee or engineered by a business model. It was a group of fans just like us who found something to be passionate about. They figured out how to get inside the system, and when the system failed them, they took it into their own hands."⁶³ It is this taking it into their

⁶² Funimation vs. Miller Isaiah Timmons. No. 1:13-cv-00533. United States District Court for the District of Colorado. 28 February 2013.

⁶³ Eldred, Tim. *Space Battleship Yamato* 29 June 2012. Panel.

own hands that was once useful but has now become a hindrance to current businesses. How to continually appeal to fans who have and continue to work outside of an established system? For many businesses, the answer is a change to their model through the use of technology.

A New Kind of Business Model

Without an economically viable way to cut down on the piracy that already exists, anime distributors have changed their business models in order to account for illegality. Anime convention culture, which was formed and continues to grow mostly through fan-to-fan interaction and distribution, has made a 'traditional' business model, where businesses sell products to consumers for a fixed price per item, unsuccessful. To help keep profits, businesses have had to adjust and rethink their business model in order to appeal to fans who are, frankly, used to finding a way to obtain anime through trading or (more recently) through illegal download. This movement to online business is the deciding factor in marking the third phase of anime presence in the United States. After two waves of televised syndication, anime has now moved into the realm of Internet syndication, used both by fan distributors and by the businesses that are using it in varied ways in order to cater to fans.

This is not the first time that fans have had a direct effect on the way that businesses run in the anime industry. Even in the 1980s fans were able to make their voices heard and show that the target audience for anime was not only children (though due to increased child spending power, they are still a primary market). *How* businesses have adjusted their strategies has varied, but they all share one common theme: deployment of the same technology that fans have used to create this culture of illegality in order to better appeal to fans. When I talked to the marketing

director of Aniplex of America about this issue, he said that Aniplex has licensed its shows through Crunchyroll, Hulu, and Crackle beginning in 2011 and will continue to do so, working to make their releases faster and more appealing to fans. He said that they attempt to connect with fans through social media sites such as Facebook, hosting competitions and giveaways to increase fan involvement and to encourage them to support the industry.⁶⁴

While online streaming may seem a viable option, businesses still face the problem of competition with fansubbers. Part of this competition has to do with fans deliberately choosing fansubs over legitimate subtitled options. Surprisingly, fans often do not cite price as a reason behind this choice. More commonly, fans cite speed, lack of regional barriers, and quality of both speed and translation as reasons for pirating anime.⁶⁵ An online interviewer decided to ask three admitted *otaku* (a complicated Japanese term that often refers to obsessive fans) why they preferred fansubs to licensed subtitles, and they brought up all three of these reasons. In addition, the survey focused on the fact that for many, fansubbing is a hobby and cannot be replaced by streaming. On this point, one fansubber wrote:

[Fansubbing is] a form of expression and a way to show off your skills or whatever [and is also a] rather expressive subculture.... There are however fans of fansubbing who follow specific groups. These fans of it are into the 'scene' and like how fansubs are created. So in that respect the industry will more than likely never substitute fansubs.⁶⁶

⁶⁴ Aniplex. Interview. Allison Hawkins. 28 June 2012.

⁶⁵ Lee, Hye-Kyung. "Participatory media fandom: A case study of anime fansubbing." *Media Culture Society* (2011): 1131-1147.

⁶⁶ Ibid.

Simply put, fansubbing for many is not done for monetary gain but rather out of passion for translation and for anime as a medium. This is why fansubbing groups often challenge themselves with being faster or more accurate in their translations. Fansubbers often work in groups, specializing in tasks from choosing appropriate English idioms to writing cultural notes to focusing on the texts written on shop signs or homes. For many groups, quality is the most important aspect of fansubbing

Looking at the Crunchyroll forums supports this as well, with viewers representing all points of view of the fansubbing debate. Many comment on quality of both video and translation and often ask about regional access. Since each region has its own specific license, an anime available in America may not be available in certain countries in Europe, and vice-versa. This means that many anime fans who do not have an anime licensed legally in their regions often turn to fansubbing as an alternative, because it is borderless and just as easily accessible. One Crunchyroll fan admitted publicly in the forums that although he liked Crunchyroll, he could not justify paying a monthly fee for only half the content available—especially when the content was available elsewhere. The public discussion of fan piracy and why it exists is common on forums such as these, which is telling. Many fans do not feel the need to hide the fact that they pirate content, and some justify it. This shows that fans are well aware of their actions but equally aware that businesses will not pursue legal action for fear of alienating the fansubbing community, which in many ways is the core of the anime community as a whole.

Legitimate businesses have also moved to online distribution. Today, many of the shows that anime distributors license are distributed over the Internet through Hulu, Netflix, or the distributor's website rather than through televised syndication. This is due to the fact that more people have access to the Internet. According to the US Census Bureau, the percentage of

Internet access in the home has risen from 19 percent in 1997 to 71 percent in 2010. Assuming that the trend of increase has continued, this percentage is probably higher now.⁶⁷ Businesses have used varying models for making profit distributing anime online, and by looking at three different major businesses—Tokyopop, Crunchyroll, and Funimation—one can better see how each of these three new models work and whether or not they are successful.

Tokyopop was founded in 1997 by Stu Levy, under the name of Mixx. It soon became the leading provider of manga in the United States and started the trend of introducing authentic manga. Before Tokyopop, Japanese comics introduced into the US had to be flipped because publishers did not believe that readers would want to read a book right to left. Needless to say that they were wrong, and soon manga had its own sections in bookstores. Tokyopop helped to lead the manga revolution that coincided with the anime boom in the 2000s, but their success was not to last.

With everyone getting into the manga business, Tokyopop had the problem of Japanese coming in and publishing on their own rather than going through the American company. There was an oversupply of manga on shelves. Tokyopop itself was publishing fifty books a month, and competitors such as Viz were matching it. This meant that one to two hundred manga titles were being released each month, with a fanbase that could not possibly consume that much in that time frame. Perhaps the two things that most effected Tokyopop, however, was Borders going out of business and Tokyopop not having eBook rights to their manga. Borders owed Tokyopop money and could not pay due to bankruptcy, and because Tokyopop did not have eBook rights the rights to their titles soon reverted back to their original licensors and Tokyopop closed its doors.

⁶⁷ U.S. Census Bureau. *Exploring the Digital Nation: Computer and Internet Use at Home*. Survey. United States: U.S. Census Bureau, 1997-2010.

Why talk about a business that went under in a section about new business models? Despite having to close its doors for a time, Tokyopop is now working with Right Stuf to try and get manga titles. Tokyopop relaunched its website in January of 2013, citing their plan to reorganize and evolve. Stu Levy posted this public announcement when the website relaunched:

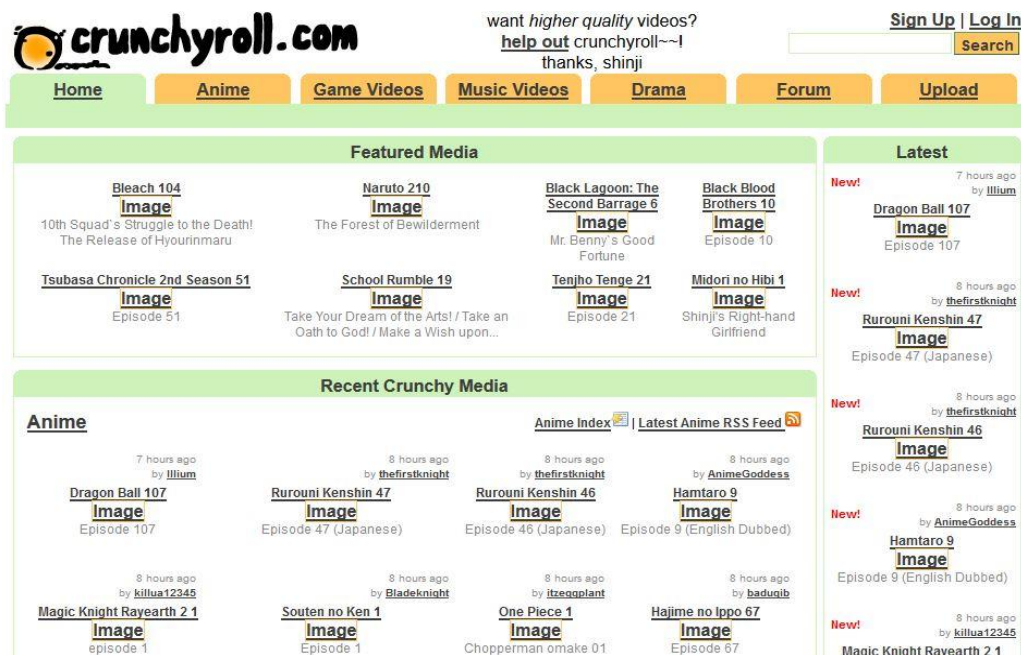
TOKYOPOP is evolving as a company. I know many fans would prefer us to return to being a manga publisher like we were for most of our history. However, manga will never disappear—we will do what we can to deliver manga. I plan on experimenting with new ways to bring you Asian pop culture. Please keep an open mind—and give feedback.⁶⁸

Tokyopop's decision to work with Right Stuf provides an insight into the way in which a failing company can adjust their model in order to attempt a comeback. Right Stuf is a video publisher and online retailer. Utilizing print-on-demand, where books are printed after an order is received, and multiple eBook formats, Tokyopop has moved to a mostly online system (though they can still put out a few titles in their physical form). Levy's update and request to fans for feedback is also telling of business's continued relationship and reliance on fans. In talking about future plans, Stu mentioned perhaps using Kickstarter to put out manga titles that fans want. Whether or not this movement to digital will be successful to Tokyopop has yet to be seen, but the limited return of the company suggests a brighter future.⁶⁹

⁶⁸ Levy, Stu. *<http://tokyopop.com/happy-new-year-and-new-site/>*. 3 January 2013. 21 March 2013.

⁶⁹ Levy, Stu. *Tokyopop Past, Present, and Future* Anime Expo. 28 June 2012. Panel.

Perhaps the most well-known legitimate anime streaming service on the Internet today, Crunchyroll's past has been less than legitimate. Using the Wayback Machine at the Internet Archive, one can find images of Crunchyroll's website from years past. The most interesting thing about the image below is the prominent tab in the upper left corner that says simply "Upload."⁷⁰



Screenshot of Crunchyroll.com 30 November 2006. Courtesy of the Wayback Machine⁷¹

In 2006, when the site started, this was what it was best known for: fans uploading content such as fansubs or even illegitimate DVD rips. This was problematic for many fans, as what fans uploaded was not very closely monitored and fans could easily upload fansubs that were not their own. Even more problematic for many fans, Crunchyroll began to charge a subscription fee for users to watch their fansubbed content (many of which explicitly stated that they were not for sale or rent).

⁷⁰ Wayback Machine. <http://web.archive.org/web/20061230023051/http://www.crunchyroll.com/>. 30 November 2006. 12 February 2013.

⁷¹ Ibid.

Despite their illegal beginnings, however, Crunchyroll updated their design and became a legitimate business in 2009, publishing shows from licensors such as Aniplex. Even more importantly, they began to try and combat two of the things that fans have cited make them choose fansubs over legal content: speed and quality. With simulcasting, Crunchyroll has its content out about an hour after it comes out in Japan, and, if one's network connection is good enough, in HD 1080p. According to TV Tokyo, Crunchyroll had about 70,000 paid subscribers. At \$6.95 a month, this comes to about \$486,500 of revenue each month. Aside from that revenue, Crunchyroll is also making a bit of ad revenue. As a free user, one can still watch anime, but with advertisements. In a recent interview, Kun Gao, one of the founders of Crunchyroll, reported that they have about 5 million views a month. Although ad revenue is not as profitable as one might expect, having 5 million viewers, many of whom are watching ads, will help that total profit number.⁷² The move to legal streaming and subscription basis is one way in which distributors are trying to combat fansubs. Crunchyroll's speed and quality are certainly motivators for fans to pay for content, as well as the feeling that they are in some way supporting the industry.

The third example is Funimation, currently the largest licensor and distributor of anime in the US. Founded in 1994, Funimation originally was not into simulcasting (streaming a show as soon as it aired in Japan). With speed being a factor in fans choosing fansubs over licensed ones, Funimation moved into simulcasting as well as dubbing over anime that it has licensed and which proves to be popular. Much like Crunchyroll, Funimation also is experimenting with a partially free and a partially paid subscription idea. However, by also putting their shows up on

⁷² Gao, Kun. *Crunchyroll hopes to bring Anime to its fans wherever they are* Anna Heim. 15 October 2012. Online Interview.

Hulu and Youtube, they further increase their advertisement revenue on simulcasts. Furthermore, if a show proves popular, they will dub it over with an English voice cast and put it on platforms such as iTunes, Xbox Live, or Netflix, as well as make DVDs.⁷³ By trying a little bit of everything in terms of online content, the Funimation case shows that a totally effective business model has yet to be grasped by other legal distributors.

According to another Anime News Network article, fansubs themselves are not as much of an issue as the sites that illegally stream them and DVD rips. If one were to Google "streaming anime," these sites often come up before legal options. And though the people choosing to use these websites are not going to pay subscription fees to a business such as Crunchyroll and the lost revenue from ads does not amount to much, the sites introduce new, uneducated, or unaware fans to illegal means of watching content, which does not show them how to support the industry.⁷⁴ In the words of Justin Sevakis, the author of the article, "It's a loss of something even less tangible than a potential sale: it's the loss of mindshare." Whatever new model emerges for the continued profitability of the anime market, Sevakis suggests that it will be like it always has been. "Some fans will spend more than their share, others will mooch everything for free. And somehow, the artists will figure out how to pay their bills and make more stuff, though sometimes making ends meet will get a little scary. And when you think about how entertainment has worked over the years, and even over the centuries, that's pretty much always been the case."⁷⁵

⁷³ Sevakis, Justin. "The Anime Economy - Part 3: Digital Pennies." 2012 9 March.
<http://www.animenewsnetwork.com/feature/2012-03-09>. March 2013.

⁷⁴ Ibid.

⁷⁵ Ibid.

Conclusion

Anime convention culture has essentially exploded over the past 20 years, going from something relatively obscure even 30 years ago into something global and less niche. Through the use of technological innovations and reliance on piracy, fans of anime have grown in their roles both as creators and changers of their own culture and as consumers of a culture that is not their own. Although this allows for the growth and change of a culture and gives fans more agency within the fandom, it also requires established businesses to adapt their models for a world in which fans are using technology to become global distributors. By looking at convention culture and the way in which it has expanded primarily due to fan piracy, as well as by looking at the ways in which businesses have started to adapt, we can see how technological innovations have allowed a linking and exposure to cultures that transcend national borders.

But the importance of looking at how technology relates to anime fandom transcends that of the specificity of convention culture. Rather, by viewing how businesses have managed to capitalize on an industry largely created through illegal means, one can speculate on how businesses may be able to cut down on piracy in other parts of the world or in other categories of media. I see the Funimation model, of free streaming with advertisement on multiple platforms as well as offering a paid subscription, to be the most viable in terms of enticing consumers to go through legal means to obtain media at this time. Whereas it still costs consumers money to buy pirated copies of DVDs or CDs, streaming media through the Internet with viewing advertisements as the only payment both benefits the distributor and saves the consumer money at the expense of a few more minutes of their time. If the anime community serves as an example, fans will not only be willing to participate in streaming media, but will also provide financial support for businesses that offer benefits for a minimal charge.

However, streaming will not be effective forever, nor is it a viable option for every country and community. Mainly, the regional restrictions placed on content as well as the reliance on a solid Internet connection from a prolonged period of time is not ideal, and leads to consumers turning to illegal means for content that is more easily accessible without an Internet connection (once it is downloaded). Eventually, businesses may also consider allowing consumers to download copies of their favorite shows, movies, or music for a larger fee. One model may be a download limit, in which fans pay a certain monthly fee for a fairly large number of monthly downloads (in addition to the streaming service). Since this model has not yet been tried, whether or not this would be profitable is still inconclusive. Regardless, the amount of problems that occur from streaming (specifically its reliance on Internet access) will not lessen piracy. Though this proposed download model will not solve the problem of piracy, either (since it is debatable whether this problem can be truly eradicated), adopting a new business model will be mutually beneficial to consumers, producers, and distributors as well as cut back on the amount of resources (both time and money) spent in pursuing lawsuits that will not stop piracy and are also not financially advantageous. It is also important to recognize that the effect of rampant piracy can be beneficial, as seen in the anime community. This beneficial piracy could be applied to other current 'niche' cultures, inspire creativity, and ultimately yield greater reward due to the creation of a market that may not have existed without piracy. While it is unclear what sort of fringe entertainments or hobbies may undergo this transformation, by looking at the anime convention community one can see how piracy can change a culture and allow it to grow into something that may in the end be more beneficial than initially assumed. Piracy may become a way in which other niche cultures can evolve not only in terms of the fan base but in terms of business models as well. By forcing established sellers and distributors to

consider changing their models, piracy may also be the key to finding a new way to conduct business in a world that is increasingly reliant on globalizing technology.

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