



Digital Guidelines: Writing for Digital Platforms

If you're a WGC member, or agent representing one, and are being contracted to write for a digital production, i.e. production originally intended for exhibition on a website, mobile or other digital platform in such forms as mobisodes, webisodes, interactive dramas, podcasts, or games, to name a few, please be aware that this work is covered by the WGC IPA, Section F. All members must have IPA contracts for digital writing work, and must sign only with producers who adhere to the IPA, just as they do for any other writing for the screen. Please read the guidelines below to aid you in your contract negotiations, and advise us if you need our help in educating a producer in how to become signatory.

The world of digital production has become more complex and the term "Digital Production" can encompass many things. Since writers and agents have asked for some assistance in determining the appropriate fees, and there are no minimum fees enshrined in the IPA for digital production, this handout is provided to serve as the Guild's guidelines for individual negotiations. **It is possible to depart from the guidelines should you or your agent wish to do so, but please consult with the Guild. The Guild understands that in the area of Digital Production, whose funding model may be in flux, negotiations on other acceptable terms may be required. The IPA requires the Guild to be involved in the negotiation for any digital writing contract.**

What's in the IPA?

In the 2010-2011 Independent Production Agreement ("IPA"), Digital Production is defined (in Articles A213 and F101) as:

"audio-visual or visual-only (i.e. with moving images, or electronically- or otherwise-generated images that simulate movement) production produced for initial exhibition on the Internet or other platform where data is transmitted from a server to a screen at the end user's location."

For example: linear video intended for initial distribution on digital platforms such as the web and/or mobile, or non-linear video such as web games and videogames. Digital Production does not include text-only writing such as blogs, show descriptions or Tweets.

Section F of the IPA provides for contracting for Digital Production and states: "The Guild, producer and producer association shall negotiate the applicable fee for each production."



This means all fees for digital writing are negotiable. (The other general terms of the IPA still apply, however, i.e. payment on delivery, I&R, credit, copyright, grievance, etc.)

Below are some *suggested* rates formulated by the WGC from our statistics on existing digital contracts, and in consultation with members already working in digital formats for different types of digital writing. As the producer associations who are party to the IPA have not agreed to these specific terms, the rates and conditions offered here are a *guideline only* for writers and agents in their individual negotiations with producers. As digital production is still quite new, the WGC understands that these rates may not be achievable under every budget – however, where possible, we believe they are fair rates to ask as writing for digital is in every way comparable to writing for traditional mediums, save for in the way the end result is produced or delivered.

We've looked at different categories of digital production, those which are funded, whether affiliated or not affiliated with a broadcast property, and those which are unfunded, or speculative, and considered different sets of terms and conditions:

Category A: Convergent Digital Productions

For the purposes of these guidelines Convergent Digital Productions mean those Digital Productions which are associated with television productions AND have been funded by third party financing such as, without limitation, Canada Media Fund Convergent Fund, Bell Broadcast and New Media Fund and provincial interactive digital media tax credits, or by the television production itself.

Category B: Non-Affiliated Digital Productions

For the purposes of these guidelines, Non-Affiliated Digital Productions are those Digital Productions which are NOT associated with any television production AND have been funded by third party financing such as, without limitation Canada Media Fund Experimental Fund, and/or provincial interactive tax credits.

For Category A and Category B Digital Productions, the following payment structures are recommended. Productions may not clearly fall within one type or another below due to their format or the material to be written. We encourage you to apply these guidelines where and how it makes sense to do so.

Recommended Script Fees For Category A and Category B Digital Productions

1. Short Format (up to 5 minutes in length)

A. Short Format is linear digital production of a length no greater than 5 minutes.

B. The suggested rate for Writers of Short Format Digital Production is a Script Fee which is no less \$625 for up to 2 minutes and \$310 for each additional minute, up to 5 minutes.

Rights and Use Fees:

C. On payment of these Script Fees, the Producer would acquire, subject to Articles A710 to A712, an exclusive license to produce a single production made from the Script and to distribute the production for six (6) months worldwide from first use or release on any Digital platform. N.B. A use fee for a specified time period is an important part of writer compensation when there is no Production Fee applicable, as is an ongoing royalty if the producer continues to use the production. Therefore the WGC also recommends:

D. Following the above use period, the Producer will pay 5% of Distributors' Gross Revenues from first dollar for use on any Digital platform or distribution through any Digital platform. For the purposes of these Guidelines, the Distributor's Gross Revenues (DGR) would be defined as set out in Paragraph C1103 of the IPA provided that C1103(d) be deleted and replaced with the following:

(d) Notwithstanding the foregoing, Distributor's Gross Revenues includes gross revenues payable to the Producer from the direct exploitation of the Digital Production:

- (i) from the sale or rental of Compact Devices (excluding any secondary uses);
- (ii) from the Producer's share of any advertising revenues or subscription revenues related in whole or in part to the exploitation of the Digital Production, provided that a fair and reasonable allocation has been made between the Digital Production and any other productions being exploited by the Producer and/or third parties as part of the revenue stream

E. Conversion to Broadcast Use. Should the Producer wish to acquire the rights to distribute or license the distribution of a Digital Production for Television use of any kind including without limitation for traditional broadcast, interactive television and video-on-demand, the Producer should pay an additional amount to the Writer. The WGC recommends no less than a sum calculated as follows: A Production Fee as set out in Article C10 calculated on the total Budget for the entire Digital Production or an appropriate pro rata cost that the Digital Production is of the Budget of the production being broadcast. The Production Fee is then divided by the number of episodes, to determine the additional amount paid to the Writer(s) of each episode. Such payment would be in addition to any previous payments made to the Writer(s) (i.e. the Script Fee is not deductible from the Production Fee).



N.B. Per the IPA, the Script Fee and Production Fee on any project with a Budget (or episodic Budget) of \$60,000 or less is always negotiable.

F. The Distribution Royalty as set out in Article C11 of the IPA should apply when subparagraph E is exercised.

2. Standard Length Digital Production (6 to 120 minutes in length)

A. This category is for productions that are from 6 minutes to 120 minutes of linear audio-visual or visual-only production. Productions of greater length that are linear would be calculated pro rata based on the 60 minute rate. Productions of any length that are non-linear are compensated under Non-Linear Digital Production.

B. For Standard Length digital programs, the WGC recommends that Script Fees be the same as those for Television Production (Section C) under the IPA.

Rights and Use Fees:

C. On payment of these Script Fees, the Producer would acquire, subject to Articles A710 to A712, an exclusive license to produce a single production made from the Script and to distribute the production for six (6) months worldwide from first use or release on any Digital platform. N.B. A use fee for a specified time period is an important part of writer compensation when there is no Production Fee applicable, as is an ongoing royalty if the producer continues to use the production. Therefore the WGC also recommends:

D. Following the above use period, the Producer will pay 5% of Distributors' Gross Revenues from first dollar for use on any Digital platform or distribution through any Digital platform. For the purposes of these Guidelines, the Distributor's Gross Revenues (DGR) would be defined as set out in Paragraph C1103 provided that C1103(d) be deleted and replaced with the following:

(d) Notwithstanding the foregoing, Distributor's Gross Revenues includes gross revenues payable to the Producer from the direct exploitation of the Digital Production:

- (i) from the sale or rental of Compact Devices (excluding any secondary uses);
- (ii) from the Producer's share of any advertising revenues or subscription revenues related in whole or in part to the exploitation of the Digital Production, provided that a fair and reasonable allocation has been made between the Digital Production and any other productions being exploited by the Producer and/or third parties as part of the revenue stream

E. Conversion to Broadcast Use. Should the Producer wish to acquire the rights to distribute or license the distribution of a Digital Production for Television use of any kind including without limitation traditional broadcast, interactive television and video-on-demand, the WGC recommends the Producer pay the Writer(s) a Production Fee calculated as set out in Article C10 of the IPA.

F. The Distribution Royalty as set out in Article C11 should apply when subparagraph E is exercised.

3. Non-Linear Digital Production

A. Non-Linear Digital Production means those productions, such as videogames, web games and interactive stories, which have variable lengths due to multiple optional paths through the content. Productions of any length which are also non-linear would be compensated under this section (ie a 60 minute non-linear production is compensated here and not under Standard Length) to avoid the need to identify a finished production length.

B. The WGC suggested rate for a Writer writing a Non-Linear production is a Script Fee of \$350 per page. The contracted fee should be calculated based on an estimated page count and adjusted to an actual page count upon completion of services. I and R would be calculated and remitted submitted to the Guild based on the estimated page count and any additional payable upon completion should be payable within 30 days of delivery of the completed script to Producer.

C. For limited writing (i.e. editing for localization, writing a specific mission or specific amount of dialogue) the recommended rate is \$200 per hour, or \$1,000 per day. This rate would be inclusive of an exclusive license to produce a single production made from the Script and to distribute the production worldwide in perpetuity by any method.

Rights and Use Fees:

D. On payment of the Script Fees in a) and/or b) above, the Producer shall acquire, subject to Articles A710 to A712, an exclusive license to produce a single production made from the Script and to distribute the production for five (5) years worldwide from first use or release by any manner excluding only broadcast. Again, a use fee is an important part of writer compensation. The WGC also recommends:

E. Following the above use period, the Producer will pay 5% of gross revenues from first dollar for any and all uses excluding only broadcast. For the purposes of these Guidelines,



the Distributor's Gross Revenues (DGR) would be defined as set out in Paragraph C1103 provided that C1103(d) be deleted and replaced with the following:

(d) Notwithstanding the foregoing, Distributor's Gross Revenues includes gross revenues payable to the Producer from the direct exploitation of the Digital Production:

(i) from the sale or rental of Compact Devices (excluding any secondary uses);

(ii) from the Producer's share of any advertising revenues or subscription revenues related in whole or in part to the exploitation of the Digital Production, provided that a fair and reasonable allocation has been made between the Digital Production and any other productions being exploited by the Producer and/or third parties as part of the revenue stream

F. Conversion to Broadcast Use. Should the Producer wish to acquire the rights to distribute or license the distribution of a Digital Production for Television use of any kind including without limitation traditional broadcast, interactive television and video-on-demand, the WGC recommends the Producer pay the Writer(s) a Production Fee calculated as set out in Article C10 of the IPA.

G. The Distribution Royalty as set out in Article C11 would apply when subparagraph E is exercised.

Category C: Speculative Digital Production

For the purposes of these guidelines, Speculative Digital Production means Digital Production which has *no* third party financing and is financed solely through the financial contributions or services of the participants in the Digital Production.

Speculative Digital Production may choose to use either the above Script Fee rates, or may have the option of paying no upfront Script Fee but adding profit participation for the writers. If the latter option is selected, and none of the writers engaged are paid a Script Fee up front, then profit participation would be reasonably expected and should be shared amongst the credited writers. It should be calculated on the same basis as all other profit participants, and shall be from 10% to 50% of profits payable to the producer, based on the level of the writers' creative involvement in the Digital Production, or as negotiated between the producer and the writer. For example, if the writer originated the idea, developed it and the writing was a major part of the Digital Production then 50% of producers' profits would be appropriate. If the writing is a minor element of the Digital Production and the writer was engaged once the Digital Production was already developed, then a smaller profit participation, such as 10%, would be appropriate.



Other Considerations:

The Writer should also consider negotiating these additional items:

A copy of the Digital Production in a digital file or commercial format.

Story editing work which must also be contracted under the IPA. Note that consulting, executive producing or other non-writing work would have to be separately contracted and paid outside the IPA.

Remember these are our suggestions for rates and terms. A writer can also negotiate better than these, for example, a daily rate and a share of revenues for limited writing, as in part 3C of the Non-Linear section above.

In contracting please use Appendix M of the IPA, (Standard WGC Writer's Agreement for Digital Productions) clearly identify the work being engaged, its format, intended exhibition and special conditions.

Writers Guild of Canada,
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