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7 ROCK RIVER COMMUNICATIONS, INC.

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CENTRAL DISTRICT
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8 UNITED STATES DISTRICT COURT
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA
10 WESTERN DIVISION

12 ROCK RIVER COMMUNICATIONS,)
13 INC.,)
14 Plaintiff,)
15 vs.)
16 UNIVERSAL MUSIC GROUP, INC.,)
17 Defendant.)

CASE NO. **CV 08-00635**
COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF FOR:
SHERMAN ACT § 2 (15 U.S.C. § 2)
AND CLAYTON ACT § 7 (15 U.S.C.
§ 18);
INTENTIONAL INTERFERENCE
WITH PROSPECTIVE ECONOMIC
ADVANTAGE
(DEMAND FOR JURY TRIAL)

CAS
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21 Plaintiff ROCK RIVER COMMUNICATIONS, INC., files this
22 Complaint against defendant UNIVERSAL MUSIC GROUP, INC. and,
23 demanding trial by jury, claims and alleges as follows:

24 I.

25 **JURISDICTION AND VENUE**

26 1. Counts One and Two of this Complaint are filed and these
27 proceedings are instituted against the above-named defendant under
28 Sections 4 and 16 of the Clayton Act (15 U.S.C. § 15 and § 26) to recover

1 worldwide. Bob Marley and the Wailers have made hundreds of recordings
2 of reggae music.

3 8. In 1973, Bob Marley signed a recording contract with Chris
4 Blackwell's Island Records ("Island"), which is now wholly owned by UMG,
5 and recorded for Island until his death in 1981. UMG has sold millions of
6 copies of Bob Marley's albums, accounting for a majority of the reggae
7 albums sold worldwide. More than 25 years after his untimely death, Bob
8 Marley remains the absolutely dominant reggae artist in the world and has
9 come to define the reggae genre in a manner that no other artist, in any
10 other genre, has done. Of the top grossing Reggae albums featuring Bob
11 Marley Island Records/UMG recordings represent more than 90% of the
12 market measured over the past eleven years and UMG distributed Reggae
13 music represents about 81% of the total Reggae market.

14 9. During the period 1969 - 1972, and prior to Mr. Marley signing
15 with Island, Bob Marley and the Wailers recorded at Lee Perry's studio a
16 number of masters, most of which were produced and owned by Lee Perry.
17 For many years, Lee Perry licensed these masters (believed to be 48 in
18 number) to various record labels on a non-exclusive basis, giving certain
19 labels the right to further sub-license the recordings to others. Many of the
20 resulting record albums produced by these various labels embody the
21 same masters.

22 10. San Juan Music ("San Juan"), a record label in Parlin, New
23 Jersey, is one of Lee Perry's major licensees and has been widely selling
24 and distributing Marley/Wailers albums on its own San Juan label as well
25 as sub-licensing the master recordings to other labels for at least 27 years.
26 Plaintiff licensed from San Juan the underlying master recordings, which
27 Plaintiff then used to create new remixed recordings ("remixes"), the
28 copyrights of which are wholly owned by Plaintiff. Plaintiff then compiled

1 these remixes onto an album entitled "Roots, Rock, Remixed." Plaintiff
2 also entered into a "name/likeness/licensing/publishing" agreement with
3 the Marley estate ("Estate") and with the Marley family's publisher, Blue
4 Mountain Music Publishing. Plaintiff is the first entity to license name and
5 likeness rights for these 1969-1972 Marley/Wailers recordings from the
6 Estate and the first to compensate the Estate for the use of Mr. Marley's
7 artist performances on these masters. The Estate agreed to and endorsed
8 adding Bob Marley's "Tuff Gong" record label logo to Plaintiff's album
9 packaging, giving the ultimate stamp of approval and legitimacy in the
10 reggae and Bob Marley markets. Plaintiff is informed and believes that
11 UMG perceived this as a threatening competitive advantage and was
12 similarly threatened by Plaintiff's cooperative business dealings with the
13 Estate, with whom UMG has been engaged in a litigious posture for years.
14 UMG has also been engaged in a series of business disputes and litigation
15 with Chris Blackwell, the former owner of Island Records and the guardian
16 of the Marley estate, over the sale of Island to UMG and UMG's treatment
17 of the Marley family and the Bob Marley legacy.

18 11. Plaintiff's Marley remix recordings are of further particular value
19 due to the multiple potential income streams which Plaintiff intended to
20 capture through licensing agreements for film, television, advertising, and
21 mobile phone ringtones (markets UMG has sought to control with respect
22 to Bob Marley's recordings) since Plaintiff's unprecedented royalty sharing
23 agreement with the Marley estate and Marley family's publishing company
24 gave Plaintiff a distinct market advantage, which UMG effectively crushed
25 and eliminated in order to suppress marketplace availability and to drive up
26 the price of UMG's assets, especially its Island Bob Marley master
27 recordings.

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1 12. Lee Perry also licensed the same Marley/Wailers recordings to
2 Trojan Records, which was later acquired by Sanctuary which, in turn, was
3 acquired by defendant UMG in or about August 2007. Plaintiff is informed
4 and believes that Trojan's license from Lee Perry either lapsed or was
5 terminated due to Trojan's failure to pay monies contractually obligated to
6 Perry.

7 13. From 1991 until at least 2000, UMG itself became one of San
8 Juan's many licensees, having executed licenses with, and paid royalties
9 to San Juan Music for more than a dozen of the identical Marley/Wailers
10 sound recordings subsequently licensed by Plaintiff for "Roots, Rock,
11 Remixed", which UMG then compiled into at least two full length record
12 albums and which UMG sold and distributed on records and compact
13 discs. These are exactly the same underlying recordings that UMG is now
14 stopping Plaintiff from distributing in the marketplace.

15 14. Another company known as JAD has also been selling the
16 1969-1972 Marley/Wailers recordings for a number of years. It is unclear
17 whether JAD had a license from Lee Perry or was operating without any
18 license whatsoever. In 2004, UMG signed a 10-year license with JAD for a
19 number of master recordings, including several of the same underlying
20 master recordings recorded by Lee Perry.

21 15. The essence of this claim is that UMG is now using these two
22 conflicting and contradictory "sets of rights" to exclude Plaintiff from the
23 reggae genre and the Bob Marley genre of the music sound recording
24 market. Plaintiff is informed and believes that UMG's interest is also to
25 protect the Island Marley masters and ultimately to establish them as the
26 only available Bob Marley masters, especially for licensing use in film, TV,
27 advertising, and mobile phone ringtones. Plaintiff is also informed and
28 believes that another motivation of UMG is to suppress competition with its

1 own album incorporating Bob Marley remixes, which it released in October
2 2007, four months after Plaintiff's album was released.

3 16. During the relevant period of time, Plaintiff distributed its Marley
4 remix sound recordings through a company called Quango Music with
5 which Plaintiff had entered into an exclusive distribution agreement.

6 17. In early October 2007, UMG asserted copyright protection over
7 and against Plaintiff with regard to "Roots, Rock, Remixed" and caused:

8 (a) Quango to stop distributing Plaintiff's albums, including
9 "Roots, Rock, Remixed," and

10 (b) Apple, Inc. ("Apple") to withdraw "Roots, Rock, Remixed"
11 from its iTunes digital music service under threat of contributory
12 infringement, and

13 (c) EMI Music Group to withdraw from negotiations with Plaintiff
14 to distribute Plaintiff's album worldwide outside North America under threat
15 of contributory infringement, and

16 (d) Music retailers such as Amazon, Barnes & Noble, Borders
17 and Virgin to cancel the previously committed in-store retail promotions for
18 Plaintiff's album, which still had to be paid for by Plaintiff.

19 **Count One - Violation of Sherman Act § 2 (15 U.S.C. § 2)**

20 18. Plaintiff repeats and realleges Paragraphs 1 through 17 of the
21 Complaint with the same force and effect as though fully set forth herein.

22 19. UMG is engaged in a course of conduct in an attempt to
23 monopolize the reggae genre and the Bob Marley genre of sound
24 recordings in the United States in violation of Section 2 of the Sherman Act
25 (15 U.S.C. § 2).

26 20. UMG is acting with specific intent to achieve a monopoly and
27 given its high market share as alleged in paragraph 8 and its overall size
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1 and strength, it certainly has a reasonable probability of achieving such
2 monopoly power.

3 **Count Two - Violation of Section 7 of Clayton Act (15 U.S.C. § 18)**

4 21. Plaintiff repeats and realleges Paragraphs 1 through 17 of the
5 Complaint with the same force and effect as though fully set forth herein.

6 22. UMG's acquisition of Sanctuary and its long term license with
7 JAD, together and individually in conjunction with its ownership of Island
8 Records, give it a dominant position in the reggae genre and Bob Marley
9 genre sound recording markets. These are assets by which UMG has
10 restrained trade and with which UMG threatens to create a monopoly in the
11 reggae genre and Bob Marley genre sound recording markets, in violation
12 of Section 7 of the Clayton Act (15 U.S.C. § 18).

13 **VI.**

14 **EFFECTS OF THE VIOLATIONS**

15 23. The actual, probable, and intended effects of defendant's acts
16 and practices, as alleged herein, have been to injure competition by:

17 (a) depriving consumers of choice and of the best products at
18 the lowest prices;

19 (b) limiting competition among and between producers of
20 reggae sound recordings;

21 (c) restricting choices, lowering quality, and raising prices; and

22 (d) depriving other reggae sound recording companies of their
23 ability to innovate or compete by and through their respective trademarks.

24 24. In the absence of the unlawful conduct by UMG, Plaintiff would
25 have continued selling "Roots, Rock, Remixed" through its distributor
26 Quango and through Apple's iTunes. Additionally, Plaintiff would have sold
27 its recordings in the mobile phone ringtone market and would have
28 licensed its recordings for use in film, television, and advertising. Instead,

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prospective business relationships with each such existing and potential customers.

29. Defendant has engaged in the wrongful conduct alleged with the specific intent of interfering with and destroying those business relationships and with the specific intent of causing termination of the Rock River relationship with its distributor, Quango, as well as Apple I-Tunes, EMI, Amazon, Barnes & Noble, Borders and Virgin. Defendant UMG has, with malicious intent, actually interfered with and destroyed those relationships and the business expectancy associated with each of them.

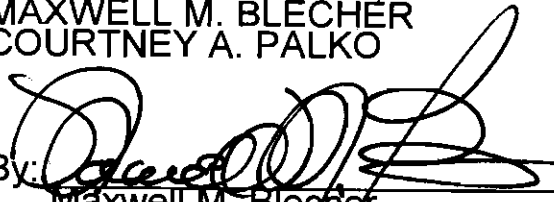
PRAYER

WHEREFORE, Plaintiff prays for judgment against defendant as follows:

1. On Counts One and Two, treble its actual damages, plus costs, a reasonable attorneys' fee and injunctive relief for the violations of Section 2 of the Sherman Act (15 U.S.C. § 2) and § 7 of the Clayton Act (15 U.S.C. § 18);
2. On Count Three for compensatory and exemplary damages for defendant's intentional interference with prospective economic advantage; and
3. For costs and such other and further relief as may be just and proper.

Dated: January 30, 2008

BLECHER & COLLINS, P.C.
MAXWELL M. BLECHER
COURTNEY A. PALKO

By: 

Maxwell M. Blecher
Attorneys for ROCK RIVER
COMMUNICATIONS, INC.


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JURY TRIAL DEMAND

Plaintiff hereby demands a trial by jury pursuant to the Federal Rules of Civil Procedure, Rule 38(b) and Local Rule 38-1.

Dated: January 30, 2008

BLECHER & COLLINS, P.C.
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By: 
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A PROFESSIONAL CORPORATION
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