# **IN THE HIGH COURT OF JUSTICE**

**Claim number:** IL-2022-000051

# **BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

# **INTELLECTUAL PROPERTY LIST (ChD)**

BETWEEN:

# RODNEY BASIL PRICE (PROFESSIONALLY KNOWN AS BOUNTY KILLER)

Claimant

-and-

- (1) OTHMAN MUKHLIS
- (2) JAMDOWN MUSIC LIMITED
  - (3) ABOOD MUSIC LIMITED

	<u>Defendants</u>
PARTICULARS OF CLAIM	

#### The Claimant

1. The Claimant ("Mr Price") is an individual with Jamaican nationality. He is a reggae and dancehall deejay.

## The Defendants

- 2. The First Defendant ("**Mr Mukhlis**") is an individual with British nationality. He describes himself at Companies House as a '*Record Manager*'.
- 3. The Second Defendant ("**Jamdown**") is a company incorporated in England and Wales on 11 September 1997 with registration number 3432671. It describes its nature of business at Companies House as 'artistic creation'.
- 4. Mr Mukhlis is and has always been the sole director of, sole shareholder in and person with overall control of Jamdown.

- 5. The Third Defendant ("**Abood**") is a company incorporated in England and Wales on 16 July 2001 with registration number 4253009. It describes its nature of business at Companies House as 'sound recording and music publishing activities'.
- 6. Mr Mukhlis has since 24 June 2004 been the sole director of, sole shareholder in and person with overall control of Abood. Prior to 24 June 2004, whilst not a director, he was the sole shareholder in and person with overall control of Abood

#### The contract

- 7. In or around late 2001, Mr Mukhlis contacted Mr Price regarding the collection of royalties due to Mr Price from Phonographic Performance Limited ("PPL") and Performing Rights Society Limited ("PRS") in respect of the public performance in the United Kingdom (the "UK") of works written by Mr Price. Specifically, Mr Mukhlis raised performance royalties, collected by PPL, and writer's royalties, collected by PRS (the "Agreed Royalties").
- 8. Mr Mukhlis proposed that he, being resident in the United Kingdom (the "UK") could collect the Agreed Royalties on behalf of Mr Price. He informed Mr Price that, were he to collect the Agreed Royalties on his behalf, Mr Price would be able to avoid withholding tax at the rate of 30%. He proposed that he be paid 15% of the Agreed Royalties to compensate him for his assistance.
- 9. Mr Price agreed to this arrangement and, accordingly, entered into a contract with Mr Mukhlis for the collection of royalties (the "Contract"). The terms of the Contract were that, in consideration of Mr Mukhlis retaining 15% of all sums collected from PPL and PRS he would:
  - a. register with PPL in respect of performance royalties collected by PPL in respect of works written by Mr Price;
  - b. register with PRS in respect of writer's royalties collected by PRS in respect of works written by Mr Price;
  - c. account to Mr Price for all sums collected from PPL and PRS; and
  - d. pay Mr Price those sums, less 15%.

#### The acts of Mr Mukhlis, Jamdown and Abood

- 10. On 19 March 2002, Mr Mukhlis registered Jamdown as the representative for Mr Price with PPL in respect of his performance royalties.
- 11. Pending further investigations and the provision of further information, it appears that, between 19 March 2002 and September 2021, Jamdown collected at least £96,952.60 from PPL on behalf of Mr Price in respect of performance royalties.
- 12. In or around early 2002, Mr Mukhlis registered Jamdown as the representative for Mr Price with PRS in respect of his writer's royalties.
- 13. Pending further investigations and the provision of further information, it appears that, between early 2002 and October 2021, Jamdown collected at least £230,733.20 from PRS on behalf of Mr Price in respect of writer's royalties.
- 14. In or around late 2001 Mr Mukhlis also proposed to Mr Price that he could collect the PRS publisher's share of royalties for works written and/or co-written by Mr Price and in consideration he would retain a percentage of 10% of all sums collected from PRS for the publisher's share and account the remaining percentage of the PRS publisher's share to Mr Price (the "Second Contract"). In early 2002, Mr Mukhlis registered Abood as the publisher for Mr Price with PRS in respect of the publisher's share. At some point thereafter, Abood outsourced collection of the publisher's share to Perfect Songs Limited ("PSL").
- 15. Pending further investigations and the provision of further information, Mr Price does not know how much Abood and/or PSL, acting on behalf of Abood, have collected from PRS in respect of the publisher's share of works written and/or co-written by Mr Price which are registered with PRS.
- 16. Further and additionally, in or around late 2001 Mr Mukhlis also registered Abood with PPL to collect the label share in respect of the master recordings of works performed by Mr Price. Mr Price does not own those rights so could not authorise Mr Mukhlis or Abood to collect them whether on his behalf or at all. At some point thereafter, Abood also outsourced collection of the label share to PSL.
- 17. On or around 12 January 2020, Mr Mukhlis acknowledged that sums were due to Mr Price and transferred him the sum of £8,477. Mr Price received \$10,171.99 (the "Part

**Payment**"). It is not known whether this sum was said to be in respect of the Agreed Royalties or the publisher's share.

#### **Breach of contract**

18. In breach of the Contract, Mr Mukhlis has failed to pay Mr Price sums due to him either in full or at all.

## **PARTICULARS**

- (1) Mr Mukhlis registered Jamdown with PPL in respect of the performance royalties, in place of himself.
- (2) Mr Mukhlis and Jamdown have made no payment, alternatively only the Part Payment, in respect of performance royalties collected on behalf of Mr Price from PPL by Jamdown.
- (3) Mr Mukhlis registered Jamdown with PRS in respect of the writer's royalties, in place of himself.
- (4) Mr Mukhlis and Jamdown have made no payment, alternatively only the Part Payment, in respect of writer's royalties collected on behalf of Mr Price from PRS by Jamdown.
- (5) Mr Mukhlis has failed to provide any account of the sums collected by Jamdown and/or him from PPL and PRS.
- 19. In breach of the Second Contract, Mr Mukhlis has failed to pay Mr Price sums due to him either in full or at all.

## **PARTICULARS**

- (1) Mr Mukhlis registered Abood with PRS in respect of publisher's share, in place of himself.
- (2) Mr Mukhlis and Abood have made no payment, alternatively only the Part Payment, in respect of publisher's share collected on behalf of Mr Price from PRS by Abood and/or PSL.
- (3) Mr Mukhlis has failed to provide any account of the sums collected by Abood and/or him from PRS.

## Misrepresentation

- 20. Mr Mukhlis represented to Mr Price that Mr Price would be obliged to pay withholding tax of 30% on sums paid directly to him by PPL and PRS in respect of performance royalties and writer's royalties (the "Representation").
- 21. The Representation was not true. Pending disclosure and further investigations, Mr Price does not know the precise position but the following represents his understanding of the actual position as at 2001/2002.

## **PARTICULARS**

- (1) Withholding tax is not payable in the country in which an artist is resident. Accordingly, in the case of Mr Price, no tax would be withheld on royalties collected in Jamaica, where he is resident.
- (2) In respect of all other countries, tax may be withheld at source before the royalties are paid to PRS and/or PPL. It is not possible to circumvent this. Appointing Mr Mukhlis made no difference to the tax withheld in any country except, possibly Jamaica and the United Kingdom.
- (3) It is not possible to avoid withholding tax by appointing an agent in the most beneficial country (i.e. the country where most royalties are paid). Accordingly, by appointing Mr Mukhlis, Mr Price could not, as Mr Mukhlis alleged, legally avoid withholding tax in any country except Jamaica. Appointing Mr Mukhlis would not reduce the amount of tax withheld in Jamaica.
- (4) It appears that Mr Mukhlis has wrongly notified PRS and PPL that Mr Price was resident in the United Kingdom such that he has wrongly had tax withheld in Jamaica and has not withheld tax in the United Kingdom. Pending a proper account, he is not in a position to understand the true position.
- (5) Further, the rate of withholding tax varies by country. At the relevant time it was only 20% in the United Kingdom, was 30% in the United States of America and was, it is understood, approximately 8% in Italy. It was not, as Mr Mukhlis said, 30% and, furthermore, nothing Mr Mukhlis did or could (or should) have reduced the amount of tax withheld.
- 22. Mr Mukhlis knew the Misrepresentation was not true, alternatively, he was reckless as to the truth of his assertion. It was untrue in three ways, namely:

- a. withholding tax cannot be avoided;
- b. the rate of withholding tax is not a uniform 30% and was not 30% in the United Kingdom at the time; and
- c. an artist cannot 'pick and choose' his/her domicile to obtain the best position in respect of withholding tax.
- 23. This amounts to a fraudulent misrepresentation entitling Mr Price to rescind the Contract and seek enhanced damages.
- 24. Alternatively, Mr Mukhlis made the Representation carelessly or without having reasonable grounds for believing its truth.
- 25. This amounts to a negligent misrepresentation entitling Mr Price to rescind the Contract.

#### Relief

- 26. Mr Price is entitled to and seeks an order that the Contract be rescinded for fraudulent, alternatively negligent, misrepresentation. Alternatively, at the equitable discretion of the court, he seeks damages in lieu of recission.
- 27. Mr Price is entitled to and seeks a declaration that all sums collected by Mr Mukhlis, Jamdown and/or Abood, whether by it or by PSL, belong to him and are held in trust for him by Mr Mukhlis, Jamdown and/or Abood.
- 28. Mr Price is entitled to and seeks an order that Mr Mukhlis and Jamdown account fully to and pay him all royalties collected from PPL and PRS on his behalf, less the Part Payment, if applicable, and, if the Contract is deemed to subsist, 15%.
- 29. Mr Price is entitled to and seeks an order that Mr Mukhlis and Abood account fully to and pay him all royalties collected from PRS on his behalf, whether by it or by PSL, less the Part Payment, if applicable, and 10%.
- 30. Mr Price is entitled to and seeks an order that payment of the sums claimed be made by Mr Mukhlis, Jamdown, Abood or any other companies he may control as appropriate or alternatively by way of their traceable proceeds.
- 31. Mr Price is entitled to and seeks an order that the Defendants indemnify him against any penalties and/or associated costs incurred by him, charged by a competent tax authority and/or fees charged by his accountants, by reason of the acts fraudulent misrepresentation and/or negligent misrepresentation of the Defendants.

32. Mr Price is entitled to and claims interest upon all sums found due to him pursuant to section 35A of the Senior Courts Act 1981 or under the equitable jurisdiction of the court at such rates and for such periods as the court deems appropriate.

#### AND THE CLAIMANT CLAIMS:

- (1) An order that the Contract be rescinded for fraudulent misrepresentation.
- (2) Alternatively, an order that the Contract be rescinded for negligent misrepresentation.
- (3) Alternatively, an order that the First Defendant pay enhanced or ordinary damages to the Claimant in lieu of recission.
- (4) A declaration that all sums collected by the Defendants, whether by themselves or through PSL, belong to the Claimant and are held in trust for the Claimant by the Defendants.
- (5) An order that the First Defendant and the Second Defendant fully account to the Claimant for all royalties collected from PPL and PRS in respect of performance royalties and writer's royalties.
- (6) An order that the First Defendant and the Second Defendant transfer all such royalties to the Claimant, whether held by the Second Defendant personally, by the First Defendant personally, by his companies or by way of their traceable proceeds, less the Part Payment, if applicable.
- (7) Alternatively, an order that the First Defendant and the Second Defendant transfer all such royalties to the Claimant, whether held by the Second Defendant personally, by the First Defendant personally, by his companies or by way of their traceable proceeds, less 15% and the Part Payment, if applicable.
- (8) An order that the First Defendant and the Third Defendant account to the Claimant for all royalties collected from PRS in respect publisher's share, whether directly or through PSL.
- (9) An order that the First Defendant and the Third Defendant transfer all such royalties to the Claimant, whether held by the Third Defendant personally, by the First Defendant personally, by his companies or by way of their traceable proceeds, less 10% and the Part Payment, if applicable.
- (10) Alternatively, equitable compensation from the Defendants to the Claimant in such sum as the court deems fit.

(11) An order that the Defendants indemnify the Claimant against any penalties and/or associated costs incurred by him, charged by a competent tax authority, including by way of fine, and/or fees charged by his accountants, by reason of the acts of fraudulent misrepresentation and/or negligent misrepresentation of the Defendants, including in particular in respect of any tax wrongfully withheld in Jamaica or wrongfully not withheld in the United Kingdom.

(12) Interest as above.

(13) Costs.

(14) Further or other relief.

JAMIE MUIR WOOD

#### Statement of truth

I believe that the facts stated in these Particulars of Claim are true. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

DocuSigned by:

Rodney Basil Price)

14 June 2022

Served by Cadence LLP, Fourth Floor 56A Poland Street, London W1F 7NN, solicitor for the Claimant (reference: MS/PRI-0031)