

## Reduction in Rap Artist Ja Rule Record Case

Written by Robert ID1535

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The 2nd U.S. Circuit Court of Appeals in Manhattan reduced to about \$127,000 the \$132 million verdict against music industry giant Island Def Jam Music Group and its former top executive, in a dispute over an unreleased record by hip-hop rap artist Ja Rule.

On Tuesday the 2nd U.S. Circuit Court of Appeals in Manhattan said it based its conclusion on an interpretation of contract and copyright law and an analysis of evidence presented in the case. The appeals court actually reduced the award from \$54 million, the amount at which a judge had set damages after substantially reducing a jury's punitive award earlier.

The litigation resulted after TVT Records, a New York company, alleged that Island Def Jam's parent company blocked the completion of an album that hip-hop rap artist Ja Rule and two friends tried to make for TVT in spring 2001.

Ja Rule, whose real name is Jeffrey Atkins, started his career with TVT in 1993 and moved to Island Def Jam five years later.

In May 2003, a jury awarded roughly \$24 million in compensatory damages and \$108 million in punitive damages to TVT Records in what was one of the largest awards in the history of the music industry.

The jury had assessed the damages against Island Def Jam, a subsidiary of Universal Music Group, the world's largest record company, which is owned by French media giant Vivendi Universal.

Matthew Dontzin, a lawyer for Island Def Jam and its then-chief executive officer, Lyor Cohen, called the appeals ruling a "decisive victory, completely vindicating Mr. Cohen." Cohen, who is now president of Warner Music Group, was "delighted" by the court's decision, Dontzin said in a telephone conversation from Europe.

TVT lawyer Peter Haviland said in a statement Tuesday that TVT will appeal the reduction in

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the damages.

"We were forced to bring this action in part because Mr. Cohen and Def Jam denied the existence of a contract critical to our business," he said. "This court has affirmed that we did have a contract and that the defendants broke it. This is not over, and we look forward to the next round."

The appeals court said there was insufficient evidence for the jury to conclude there was fraud.

It also said a breach of contract that was not contested on appeal could not result in punitive damages because the breach was not directed at the public at large. The \$126,720 was awarded for compensatory damages resulting from the breach of contract claim.