

GI – SEMI FINALS

PREPARED BY INDUS LAW

V RGNUL SEMC
31ST MARCH - 2ND APRIL 2023

Organised by
CADR, RGNUL

BACKGROUND

1.The Artist is a famous and established actor and singer in the Tamil Movie Industry. The Artist made his debut in the year 2011 with a critically acclaimed role in Tamilian Titanic. Since 2011, the Artist has made contributions through his music and acting in over 100 motion pictures spreading across Tamil, Telegu, and Hindi languages. Coupled with a huge fan following across India, the Artist has been awarded Best Popular Actor at the Tamil Film Awards in the year 2016, Dadasaheb Phalke Academy Award in 2017, and Tamil Ratna Award in the year 2018.

2.Famous Tamil Songs Private Limited (FTS) is a company established under the laws of India and is engaged in the business of production, distribution, and monetization of music and entertainment content. FTS has a considerable standing and market share in the music and entertainment content across Tamil, Telegu, Hindi, Rajasthani, and Odia music industries. FTS boasts exclusive rights over the work of several established Indian artists and in collaboration with them, FTS has delivered ground-breaking results in the music industry. FTS, as of date, has over 118 Million subscribers on its YouTube channel and over 2,34,516 YouTube videos.

THE DISPUTE

3.FTS and the Artist entered into a License Agreement on 21.05.2013, effective from 01.06.2013. This License Agreement is set to expire on 06.07.2023. Under the terms of the License Agreement, the Artist was obligated to work exclusively with FTS for the production of all Content from the effective date of the License Agreement – for a mutually acceptable consideration or License Fee.

4.Under the terms of the License Agreement, the Content is defined as all audio-visual content of various duration including sound recording, music, underlying works, etc., which is produced/under production/to be produced by the Artist.

5.As per the License Agreement, it was agreed that FTS may terminate the License Agreement (including any revisions thereto) if the Artist is in breach of any of its obligations under this Agreement. On such termination, FTS shall not be liable to pay the License Fee or any part thereof to the Artist and the Artist shall provide the Producer with any and all Deliverables and Content and any parts thereof for the work undertaken till such time and refund the amount of any and all License Fees paid to the Artist till the date of such termination.

6. Around February 2022, the Artist and FTS executed an Addendum to the License Agreement, whereby the license fees were revised keeping in terms of the rising inflation and the increasing fan following of the Artist. The Artist agreed that he will provide eight songs to FTS each year for the revised consideration or the Revised License Fee and for any songs provided by the Artist to FTS, over and above the eight songs, the Artist will be entitled to a share in the profits derived from monetization of such song. During the negotiations for the Addendum to the License Agreement, the Artist informed FTS that he has also hired a PR agency that is promoting his content and owing to the work done by PR agency the work done by the Artist, including his songs have been able to reach masses across India and abroad.

7. In the Addendum to the License Agreement, it was also agreed that if FTS refuses to accept delivery of any original and new Deliverable, then the Artist shall be entitled to engage with any other person for the monetization of such song.

8. The License Agreement stood revised in terms of the Addendum to the License Agreement.

9. The Artist created content and allowed certain third parties to promote the said content by uploading the same on the third parties' platform. A notice was sent on behalf of FTS to the Artist on 11.08.2022 in which details of songs that were uploaded by the Artist in the alleged breach of the License Agreement were provided along with the claim for damages to the tune of INR 12 Crores.

10. The Artist responded to the notice dated 11.08.2022 and denied breach of the License Agreement. The Artist contended that the Addendum to the License Agreement was entered into by the Artist and FTS on the understanding that there would be no exclusivity between the parties once the Artist delivers eight songs, and the Artist would be free to work with third parties.

10. The Artist also stated that FTS has not paid the outstanding Revised License Fee, which the Artist has specifically requested time and again and was in dire need of, owing to a family health crisis. The Artist cited a breakdown of mutual faith, confidence, and continued trust as a reason to terminate the License Agreement.

11. However, considering the past relations with the Artist, FTS agreed to negotiate and settle the matter at hand. The parties agreed to mediate.