

Ozzy Osbourne Co-Writer Alleges \$2M In Unpaid Royalties

By **Melissa Daniels**

Law360, Los Angeles (August 9, 2016, 4:19 PM ET) -- Musician Robert “Bob” Daisley sued his former bandmate and collaborator Ozzy Osbourne in Nevada state court on Monday, saying that he’s been shorted more than \$2 million in unpaid royalties for his role as a co-writer on “Crazy Train” and other tracks.

Daisley, an Australian bass player and co-author on the majority of tracks on Osbourne's albums “Blizzard of Ozz” and “Diary of a Madman,” filed the suit against Osbourne and his affiliated company Blizzard Music Limited saying a 2014 audit showed that he was being shorted on royalty payments and cut out of payments made for commercial uses of the songs.

“Despite the fact that the songs on the two albums were instrumental in making Osbourne an international rock star, Daisley has been deprived of his rightful compensation by Osbourne and his company Blizzard US,” the complaint says.

The suit alleges Blizzard US and Osbourne committed fraud. Daisley seeks monetary and punitive damages as well as an accounting of Blizzard and Osbourne’s books, according to the complaint.

Daisley says he began working with Osbourne and Randy Rhoads in late 1979 after Osbourne left Black Sabbath. The complaint says Daisley and Rhoads wrote most of “Blizzard of Ozz” while Osbourne wrote the vocal melodies. Daisley says he is one-third author for most of the album’s 10 tracks, including hit single “Crazy Train” that peaked at No. 9 on Billboard’s Top Tracks charts, and one-quarter author for “No Bone Movies.”

Daisley also co-authored each of the eight tracks on 1981’s “Diary of Madman,” the complaint says. For both records, Dailey signed songwriter agreements that outlined his cut for gross royalties.

For the past 35 years, the copyrights to the songs have been administered by Osbourne and his British and U.S. affiliates of Blizzard, which was responsible for commercial uses of the song and paying royalties, the complaint says. But in 2014, Daisley learned that the company was improperly withholding income in the United States, the complaint says.

Acting on suspicions that he wasn't receiving his fair share, Daisley hired Audit Time LLC to look into the books and records for the disputed compositions, the complaint says. The firm found that the statements Daisley was receiving from Blizzard UK revealed the deductions taken by Blizzard US, the complaint says.

Daisley says Blizzard US told him it was an independent publisher and entitled to a separate payment for its services, though he claims he never saw or approved any agreements beyond a 10 percent cut for Blizzard UK.

"Prior to this revelation, Daisley had understood that Osbourne had two separate companies to administer the copyrights, one in England and one in the United States, but did not know that Osbourne had directed those companies to deduct additional administrative fees before distributing royalties to Daisley," the complaint says.

In addition to the withholdings from Blizzard US, Daisley says that Blizzard also didn't give him his rightful share of royalties for commercial usage of the songs he worked on.

The complaint says that Osbourne only has Blizzard UK and US set up as "alter egos" used to exploit the songs and diminish the profits for the songs' co-authors, saying that the companies share employees and that the Blizzard US operation is not adequately capitalized and shows financial irregularities in its accounting records that are available.

"To learn that Osbourne and Blizzard US had intentionally deprived them of income under the guise of separate companies was to learn that Osbourne had intended to defraud Daisley of his rightful share of income by hiding behind sham corporate entities," the complaint says.

Crowell & Moring partner Alan Howard, who represents Daisley, said in a press release that his client had "no choice" but to take legal action to get his fair share of the songs' proceeds.

"While Mr. Osbourne was benefiting from the songs co-authored by our client, the audit shows that he was systematically shortchanging Mr. Daisley," Howard said.

Osbourne's spokesperson from the Mitch Schneider Organization told Law360 on Tuesday that Daisley has previously filed and lost similar suits in the United Kingdom and the United States, and used auditing firms who found no discrepancies in his bi-annual royalty statements, which have been routinely cashed.

"We understand that Mr. Daisley is now in retirement and that these funds are his main source of income, so it is his right to be diligent with his money, but after 36 years, this is tantamount to harassment," the statement said. "We would have hoped that after 36 years that Mr. Daisley would have lost his unhealthy personal obsession and resentment towards Mr. Osbourne's success."

Blizzard Music and Osbourne plan to "vigorously defend" themselves against the allegations, the statement said.

Daisley is represented by William E. Peterson and Janine C. Prupas of Snell & Wilmer LLP and Alan Howard and Elizabeth Anne Figueira of Crowell & Moring LLP.

Counsel information for Blizzard Music Ltd. and Osbourne was not immediately available.

The case is Robert Daisley v. Blizzard Music Limited (US) et al., case number 16-cv-0198 in the Ninth Judicial District Court of the state of Nevada in Douglas County.

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