

Lawsuit against Disney, Fox hits Malaysian casino operator's shares

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Malaysian casino operator Genting claims the Walt Disney Co. and 21st Century Fox walked away from a planned theme park near Kuala Lumpur

Shares in Malaysian casino operator Genting fell nearly 19 percent Tuesday after it sued The Walt Disney Co. and 21st Century Fox for

allegedly abandoning a project to build a theme park in the country.

The \$1 billion [lawsuit](#), filed in the US District Court in Los Angeles, alleges that Disney and Fox failed to honour a 2013 [deal](#) to license [intellectual property](#), including from Fox animated films like "Ice Age" and "Planet of the Apes," for the [theme park](#) outside Kuala Lumpur.

The suit alleges that Fox was seeking to terminate the contract and that Disney executives were also keen on distancing themselves from the project because the [park](#) would be adjacent to a casino and would harm the company's "family-friendly" image.

Disney and Fox representatives did not immediately respond to requests for comment.

Genting Malaysia Berhad (GENM) said in a statement to the local exchange it was claiming damages in excess of \$1 billion.

It vowed "to fully enforce its rights" under the deal and "claim for the cost of its investments and consequential and punitive damages".

"The litigation is not expected to impact GENM's current business operations," the company said.

However, investors still sold Genting stocks, which plunged by as much as 18.6 percent before recovering slightly. They were down 14.72 percent by mid-afternoon.

Brokerage CGS CIMB Securities described news of the litigation as a "major negative surprise" for the theme park, the opening of which has already been delayed by more than a year.

"Potential legal complications" could also affect the park's new proposed

opening date, scheduled for the first half of 2019, it added.

"The plan was for Fox World to be the new centerpiece of Resorts World Genting, GENM's integrated resort complex in Genting Highlands," according to the lawsuit.

The suit alleges that Fox had used repeated delays in the project as a reason to cancel the deal and had recently issued a notice of default, requiring the developer to open the park within 30 days, an impossible deadline.

"This is a case about seller's remorse, first by Fox, and then by Disney, after the latter began the process of acquiring Fox in a deal now expected to close in the first half of 2019," the suit claims.

It adds that Genting was entitled to recoup the more than \$750 million it had already invested in the park, along with consequential and punitive damages in excess of \$1 billion.

Built on more than 25 acres (10 hectares) in the Genting Highlands, an idyllic mountain retreat an hour's drive outside of Kuala Lumpur, the park was to feature more than 25 rides and attractions based on such blockbusters as "Ice Age," "Life of Pi," "Alien" and "Night at the Museum."

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