

Media & Entertainment Group Of The Year: Sheppard Mullin

By Kurt Orzeck



Law360, Los Angeles (January 30, 2015, 1:47 PM ET) -- Sheppard Mullin Richter & Hampton LLP's bustling media and entertainment group deftly handled complex financing and distribution deals on acclaimed films including "Selma," while its litigation team scored major wins for Metro-Goldwyn-Mayer Studios Inc. in contract disputes, placing Sheppard Mullin among Law360's Media and Entertainment Practice Groups of the Year.

The firm represented Pathé in its arduous effort to get the recently released "Selma," which depicts Martin Luther King Jr.'s 1965 landmark voting rights campaign, off the ground. The project faced many challenges, including the inability to secure licenses for copyrighted speeches whose rights were acquired for a different MLK film developed by Steven Spielberg for DreamWorks Animation SKG.

Robert Darwell — who is head of transactions for Sheppard Mullin's entertainment, technology and advertising practice group — worked with Pathé for roughly five years on the project, helping producers including Oprah Winfrey and Brad Pitt to review and clear the screenplay.

"It was interesting to work with production on [working around the use] of Dr. King's speeches in the film to make sure we weren't violating anyone's rights, but also remaining true to the spirit of the events," said Darwell, who also worked with Pathé on negotiating the film's distribution deal with Paramount Pictures Corp.

While "Selma" had a unique copyright hurdle to overcome, Darwell says copyright issues are generally becoming more complicated as the entertainment business expands its global reach.

"It's such an important component to the financing of any project, having an understanding of the copyright laws of other countries," he said. "A lot of people are trying to do business in China, so understanding the laws there — like we do — and the cultural sensitivities is critical in the dealmaking process."

To that end, Sheppard Mullin's team of roughly 20 attorneys who deal with entertainment transactions includes attorneys working in the firm's offices in China and South Korea, as well as associates who have passed the bar in India, Spain, Argentina and Nigeria. In step with global growth, the team adds about one or two attorneys per year, according to Darwell.

One major entertainment transaction that underscored the firm's international dexterity was a deal in

which Netflix Inc. established its first original Spanish-language series, “Los Escorpiones,” with Mexican company and Sheppard Mullin client Alazraki Films. Darwell noted that the deal provides the show’s producers with significant creative freedom, and that they will own the series after Netflix finishes exhibiting it.

Beyond film and TV, Sheppard Mullin’s transactions team also works on deals in music, fashion and beauty, and other industries. It handled all the music licensing negotiations while representing Chrysler Group LLC in connection with Jeep’s summer marketing campaign featuring a previously unreleased Michael Jackson song. The firm is also representing Snapchat Inc. in connection with its original content deals.

Meanwhile, the roughly 20 attorneys who work on entertainment-related litigation for Sheppard Mullin kept busy last year with a bevy of high-profile suits, including a \$20 million breach-of-contract complaint over California-based client MGM’s distribution of a film, “Madison.” An Illinois state court in March dismissed the suit after plaintiffs Paradise and Madison Miracle Productions LLC, who are based in California, unsuccessfully tried to pursue the case in Illinois, where Madison’s investors were located, against an MGM entity that wasn’t party to the contract.

“Perhaps this case will make parties think twice about forum shopping, without at least doing a little more homework on important jurisdictional issues,” said Marty Katz, who is co-chair of Sheppard Mullin’s entertainment, technology and advertising industry team. “Sometimes you have to sue a party in its home state.”

Katz notched another major win for MGM in a contract and participation accounting case filed by Seven Arts. In arbitration proceedings, MGM first prevailed on its claim that the parties had entered into a binding and enforceable settlement resolving most of Seven Arts’ claims, then later defeated Seven Arts’ remaining claims. A judge confirmed the arbitration award in March.

Two months later, Sheppard Mullin’s entertainment team earned a victory for CBS Corp. when a California state judge tossed a contract lawsuit brought against the company and the late creator of “Hawaii Five-O,” Leonard Freeman, by an agent who represented Freeman and his wife and said he was deprived of tens of millions of dollars from the TV show’s reboot.

Meanwhile, the litigation lawyers helped their clients the Beastie Boys prevail in their suit accusing Monster Energy Co. of infringement for using the group’s songs in a promotional video. Following a trial in May and June, a New York jury found Monster had willfully infringed the band’s copyrights and violated federal false endorsement laws.

“The verdict has given content creators and owners some much-needed encouragement that the Internet may no longer be the Wild West,” Sheppard Mullin said in a statement regarding the verdict.

--Editing by Philip Shea.