

## Media & Entertainment Group Of The Year: Covington

By James Mills

*Law360 (February 27, 2023, 2:03 PM EST)* -- In just the past year, Covington & Burling LLP handled Discovery's \$43 billion acquisition of WarnerMedia and also advised Major League Soccer on its 10-year media rights deal with the Apple TV streaming service, earning the firm a spot among Law360's 2022 Media and Entertainment Groups of the Year.

When you think of law firms known for their entertainment and media practices, Covington likely isn't the first firm that comes to mind. However, look for Covington's reputation for having a strong entertainment and media practice group to grow exponentially in the coming years as the firm continues to handle some of the entertainment and media industry's biggest deals.

In addition to Discovery's blockbuster acquisition and the Major League Soccer deal with Apple TV, Covington also handled the National Football League's "Sunday Ticket" deal to air games on YouTube.

Likewise, Covington represented Paramount Global subsidiary CBS Interactive in securing the dismissal of the franchise fee that East St. Louis, Illinois, tried to impose on streaming service Paramount+.

Covington also negotiated a copyright infringement settlement for the major record labels regarding the pirating of music.

Robyn Polashuk, co-chair of the firm's entertainment and media industry group, said she is honored and excited by the recognition. However, she noted the practice group is not new — it has been around for more than 70 years. She said she suspects the reason it flew under the radar for so long is because Covington only opened its Los Angeles office in March 2015.

"The newness of the office to Los Angeles is why it doesn't come to mind first," said Polashuk, who joined the firm in late 2014 to help open the LA office. "We've been doing that work for a number of years, but now that we have an LA office, people are starting to recognize the scope and importance of the matters we handle."

While most firms' entertainment and media groups grew out of transaction work or litigation, Covington



is unique because its practice group, which has more than 100 attorneys, developed out of its regulatory practice.

It was only natural that Covington — which was founded in Washington, D.C., in 1919 — ended up handling lots of government-related matters, including plenty of work with regulatory agencies like the Federal Trade Commission and the Federal Communications Commission.

As clients hired the firm for help with regulatory work, they began seeking help with transactions and litigation. Soon, the entertainment and media practice group was started.

"When we opened the firm's office [in Los Angeles], there wasn't really a regulatory firm doing this kind of work in LA," Polashuk said. "I think that has resonated with clients as they've seen how that regulatory history comes to help them in their deals and issues that they didn't really expect."

Litigator Neema Sahni, co-chair of firm's music industry group and vice chair of sports industry group, pointed out that many clients' needs have a public policy component that must be considered.

"You can't think of problems in isolation," Sahni said. "It may not be a contract dispute, but what's the broader policy framework or government backdrop against which a dispute is arising? Because of our roots in the regulatory practice, we're geared to think that way, or we're geared to bring in the right folks who can help clients think through the multifaceted nature of their problem — not just the legal issues but the policy issues, the public relations issues — to create holistic solutions."

A prime example of how the regulatory component factors into things came with Discovery's acquisition of WarnerMedia last year.

Covington antitrust litigation practice group co-chair Derek Ludwin, who led the global regulatory clearance for Discovery, explained it was a highly complicated deal because it required regulatory approval not just from the United States government but from the governments of thousands of other countries and jurisdictions.

It was a yearlong process to get all those approvals, and each country had different requirements — some were concerned about it from an antitrust perspective, others from a competitive perspective, some worried about the foreign investment, and still others were concerned about transferring broadcast licenses.

"We were proud of getting all these jurisdictions done in a year's time," Ludwin said. "It was an intense amount of work. We were proud of the result. We delivered it."

Helping the process tremendously was the fact that Discovery has been a Covington client for years, with the firm handling many of Discovery's previous deals, including its 2018 acquisition of Scripps Networks Interactive.

"We know them [Discovery] and we know an awful lot about the regulatory and business environment that they operate in," Ludwin said. "You need that expertise to best navigate a merger regulatory approval process."

Other work the firm does is on the cutting edge, helping to herald in new eras, such as Major League

Soccer's move to put all its games on Apple TV starting with the 2023 season, which kicked off this month.

"It's a pretty innovative deal for sports media," said Covington special counsel Michael Hill. "It was basically the first major U.S. sports league to go all-in with a tech streaming company — Apple is MLS' media rights holder. There are a lot of exciting things about it in terms of how many people already have a relationship with Apple thanks to owning iPhones and iPads."

Hill continued, "Can that be converted to Apple getting more people interested in soccer? That's the hope of the deal. Obviously it's a new horizon where there are also people who aren't used to streaming sports as much. So that poses a challenge."

Negotiating the copyright infringement settlement for the major record labels was another major accomplishment for Covington, one that Sahni, the litigator, called a tremendous experience for the firm and for herself.

"Music is an incredibly important part of the daily fabric of our lives. It takes a tremendous amount of effort and investment to bring that music to the public, to the fans that love it," Sahni said. "The reason that investment is possible is because we have protected those copyrights. This case was really about making sure that our clients' content was adequately protected and they had the ability to continue investing in that music. It's important for me to be part of a case that helped to protect that and helped protect the creative industry."

Covington is a firm that doesn't see a lot of attorney turnover — it tends to retain its talent. Polashuk said she attributes that in large part to the firm's compensation structure, which is based on collaboration rather than origination. As a result, attorneys aren't territorial about their clients, but rather share work all throughout the firm.

"We track a little more of a holistic look at what are you bringing to the firm, how are you serving the firm. Are you bringing in new matters? Are you making work for your partners? Are you bringing partners into matters?" Polashuk explained. "That collaborative aspect of the compensation structure really does cause people to act in a collaborative way that I think is lost in the origination structure. There's no friction in the work we do. We just serve the client."

Sahni noted she likes the firm's collaborative culture, pointing out that it incentivizes people to figure out who the person is with the deepest expertise on a particular issue and leverage that skill to help clients solve their problems.

"If a client comes to me with a complex issue related to subscription marketing, I know who to call and I don't have any incentive to hoard that work for myself versus bringing in the colleague with the best and most relevant expertise," Sahni said. "It really makes for a better working environment and a sense of being one firm trying to deliver the best product for the client."

--Editing by Daniel King.