

# Media and Entertainment

Skadden provides media and entertainment clients with a full range of legal services relating to mergers and acquisitions, financings, restructurings, tax, intellectual property, litigation, antitrust, FCC and other regulatory issues, and national security reviews. We counsel a broad spectrum of corporations, joint ventures and individuals. In 2017, 2016 and 2015, Skadden partners were recognized by the *Hollywood Reporter* and *Variety* as among the top power lawyers in entertainment transactions.

## Mergers and Acquisitions

We have advised clients in transactions that have reshaped the media and entertainment industries, including major purchases, sales and proposed M&A. Our representations have included, among others:

- 21st Century Fox in its proposed \$80 billion acquisition of Time Warner.
- The independent members of the board of directors of Time Warner Cable Inc. in its proposed \$78.7 billion acquisition by Charter Communications, Inc.
- Yahoo! in the defense against the \$44.6 billion unsolicited acquisition attempt by Microsoft.
- the independent members of the board of directors of Time Warner Cable in its \$45 billion acquisition by Comcast Corporation. As part of this transaction, Time Warner sold its systems and certain other assets to Charter Communications Inc. for \$7.3 billion.
- The special committee of the board of directors of Tribune Company in the \$13 billion acquisition of the company via a going-private transaction, which followed an auction.
- Univision Communications in its \$13.5 billion sale to a consortium of private equity investors that includes Texas Pacific Group, Thomas H. Lee Partners, Madison Dearborn Partners, Providence Equity Partners and investor Haim Saban.
- Activision in its \$18.9 billion acquisition of Blizzard Entertainment and the sale of an 52 percent stake to Vivendi; and Activision Blizzard in its \$8.2 billion separation from Vivendi S.A.
- News Corporation in its \$5.6 billion acquisition of Dow Jones & Company; its acquisition of Liberty Media Corporation's \$11 billion stake in News Corporation in exchange for News Corporation's 38 percent stake in DIRECTV; and its \$11.5 billion proposed, but terminated, acquisition of the remaining stake it does not already own in British Sky Broadcasting.
- XM Satellite Radio in its \$13 billion tax-free merger-of-equals with Sirius Satellite Radio.
- Walt Disney in its \$4.05 billion acquisition of Lucasfilm.
- Jason Nanchun Jiang, chairman of the board and CEO of Focus Media Holding Limited (Hong Kong), as part of a consortium in the \$3.5 billion going-private acquisition of Focus Media.
- Jimmy Iovine and Andre Romelle Young (Dr. Dre) as controlling shareholders of Beats Electronics in its \$3 billion acquisition by Apple.
- the special committee of Caesars Acquisition Company in connection with Caesars Growth Partners' \$2 billion acquisition of Bally's Las Vegas, The Cromwell, The Quad Resort and Casino and Harrah's New Orleans from Caesars Entertainment Corporation.
- Youku, the top market-share Internet television company in China, in its \$1.1 billion merger, via a stock swap, with Tudou Holdings (China).

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- Hubbard Broadcasting in its \$505 million acquisition of 17 radio stations from Bonneville International Corporation.
  - Summit Entertainment in its \$413 million acquisition by Lions Gate Entertainment.
  - United Talent Agency in its acquisition of N.S. Bienstock.
  - Spotify (Luxembourg) in its acquisition of The Echo Nest.
  - Integrated Whale Media Investments, a Hong Kong-based investor group, in its acquisition of a majority stake in Forbes Media, a magazine publisher.

Many of our transactions involve private equity firms, such as:

- Doughty Hanson & Co. (United Kingdom) in its \$1.4 billion sale of Vue Entertainment Ltd. (United Kingdom) to Alberta Investment Management Corporation (Canada) and OMERS Private Equity (Canada).
- The Blackstone Group in the \$1 billion sale of its 50 percent stake in Universal Orlando to NBCUniversal. The enterprise value of the transaction is approximately \$3.17 billion.
- Providence Equity Partners, Texas Pacific Group and DLJ Merchant Banking Partners as equity partners in a consortium with Sony Corporation of America and Comcast Corporation in their \$4.8 billion acquisition of Metro-Goldwyn-Mayer in a going-private transaction.

## Spin-offs and Restructurings

Our attorneys advise media and entertainment companies on spin-offs of individual business segments or newly created stand-alone entities, restructuring transactions through acquisitions, out-of-court reorganizations and recapitalizations. We structure and implement innovative, cutting-edge strategies for tax-efficiency in these matters. Among others, we have advised:

- The special committee of the board of Time Warner Cable in its \$11 billion spin-off from its parent company, Time Warner.
- CBS as special REIT tax counsel in the spin-off and REIT conversion of its subsidiary, CBS Outdoor Americas, and in the \$644 million initial public offering of common stock of CBS Outdoor Americas.

- Metro-Goldwyn-Mayer and affiliated entities (MGM) in connection with their prepackaged plan of reorganization resulting in the restructuring of \$5 billion in debt.
- News Corporation in the potential separation of its publishing and entertainment businesses; and in its sale of a controlling stake in three Chinese television stations and a Chinese movie library to China Media Capital, a private equity firm. This sale is part of a reorganization of the businesses for the formation of a joint venture between News Corporation and China Media.
- Tele Columbus Group (Germany), a cable services provider, in its restructuring by means of a debt transfer and debt-for-equity swap implemented via several schemes of English arrangement between four of the German operating companies within the Tele Columbus Group and the Group's senior, second lien and mezzanine lenders. The deal, which marked the first time a German operating company used English schemes of arrangement to restructure, reduced the Tele Columbus Group's debt from approximately €1 billion to €626 million.

## Financings

Skadden represents issuers and underwriters in the full range of public and private financings. Our experience extends to all types and combinations of debt and equity instruments. Recent representations in this area include:

- A&E Television Networks in connection with the financing of NBCUniversal Media, LLC's approximately \$3 billion sale of its 15.8 percent stake in A&E to The Walt Disney Company and Hearst Corporation.
- Vulcan Capital in connection with the \$1 billion initial public offering of DreamWorks Animation SKG.
- Hoyts Group Holdings (Australia), a movie theater chain operator, in its \$410 million first-lien and second-lien dividend recapitalization loan facilities arranged by Credit Suisse and UBS.
- Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC as joint bookrunning managers in a US\$152 million offering of common stock by New Media Investment Group Inc.

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## Intellectual Property and Technology

Our intellectual property capabilities bridge the transactional and litigation elements of our experience. As intellectual property assets often represent the heart of the business for media and entertainment companies and individuals, Skadden provides seamless legal services in connection with the acquisition, enforcement and commercialization of these assets. Our experience includes litigation for distribution-related matters, print and electronic copyright infringement, and domain names; licensing and transfer agreements and other transaction-related services; technology development, outsourcing, patent and technology portfolio strategy analysis; and trademark and copyright clearance and registration. For example, our recent representations have included, among others:

- The band Bon Jovi, its members, Turner Broadcasting System, Major League Baseball and more than a dozen other defendants in securing an appellate victory that affirmed a district court's dismissal of a lawsuit (also handled by Skadden) in which a songwriter accused our clients of having infringed one of his songs in connection with a promotional video produced by Turner to publicize Major League Baseball postseason game broadcasts.
- Houghton Mifflin Harcourt in an important summary judgment ruling in a case of first impression in connection with claims brought by photographers alleging copyright infringement. Skadden made the novel argument that the photographs had not been properly registered with the Copyright Office because the registrations did not identify the authors of the individual works as Section 409 of the Copyright Act expressly requires. The U.S. District Court for the Southern District of New York dismissed most of the claims for lack of registration, finding that the language of the Copyright Act is clear.

## Litigation and Dispute Resolution

In addition to intellectual property issues, the firm has handled diverse litigations in the industry. For example, we advised Samsung Electronics America, Inc. and Samsung Telecommunications America, LLC in securing the dismissal of multiple federal consumer class actions alleging that diagnostic software installed on mobile devices collected information in violation of the Federal Wire Act and the Computer Fraud and Abuse Act. We also advised Inner City Broadcasting Corporation, Spanish Broadcasting System and Univision Communications in the settlement of lawsuits brought against Arbitron by the New York and New Jersey Attorney General offices. The lawsuits were a result of complaints by Inner City Broadcasting, Spanish Broadcasting and Univision alleging that Arbitron commercialized its radio ratings system and underreported African-American and Hispanic listeners. The settlement required Arbitron to adopt new standards in its ratings system methodology.

## Antitrust and Regulatory

We advise media and entertainment companies in dealing with government agencies, such as the U.S. Department of Justice, EU and other international antitrust offices, on a wide variety of issues. We also assist in developing and advocating positions in regulatory, policy-making and licensing proceedings before the FCC, Congress and executive branch, as well as state and international regulatory agencies. For example, we have represented or are representing:

- News Corporation, Fox Entertainment Group and Fox Cable Networks in various regulatory and legislative matters, including with respect to the FCC's broadcast indecency enforcement regime and media ownership proceedings.
- Motion Picture Association of America on issues involving "net neutrality" and online piracy before the FCC, FTC, and other federal agencies and departments.
- FOX, ABC, CBS, NBC and Univision in various proceedings at the FCC including the recent challenge to the retransmission consent regime.
- A coalition of Broadway theater owners, broadcasters and sports leagues in challenging the FCC's decision to permit the use of so-called "white spaces" devices in the radio frequency spectrum utilized by television stations and wireless microphone operators.