



## JOE CALABRESE



**Making Case for Chinese Market: Joe Calabrese at the Century City office of law firm Latham & Watkins.**

# Entertainment Law

**J**OE Calabrese works on major entertainment deals around the world out of law firm Latham & Watkins' Century City office. Last month, he advised Legendary Entertainment in a deal that saw the Burbank company, which has co-produced and co-financed movie hits such as "Jurassic World" and "The Dark Knight," sell a \$3.5 billion controlling stake to Chinese media giant Dalian Wanda Group. He spoke to the Business Journal about how the transactions he handles increasingly hinge on negotiating rights across varied media platforms.

**Question: How has the rise of streaming content changed the way you do business?**

**Answer:** Technology hasn't just changed the playing field – it's become the playing field. The rise of the digital age has affected everything we touch from a legal perspective. Just about every media and entertainment deal involves a digital application and the negotiation of rights to exploit content across platforms. Given the trend toward viewers making decisions about when and how to engage with content (as

compared to the need to follow the schedule of a central linear programmer), the agreements we forge now speak to when and how content will be delivered and at what price. All sides are adapting to this new dynamic and we've seen some ground-breaking agreements in our practice.

**Can you give some examples?**

A year or so ago, we advised the International Olympic Committee in a \$7.75 billion deal with NBCUniversal to broadcast the

Olympics across all television platforms through the 2032 Games. Now we're advising the IOC in developing its own over-the-top, Internet-delivered global broadcast network. Or take the deal for last month's Golden Globe Awards, where we spent more time discussing the social media and digital rights than the conventional network broadcast. Nielsen estimates more than 10 million people saw one or more of the 1.7 million tweets sent about the show, coupled with 18.5 million U.S. television viewers. The world is

changing very fast and it's hard to know what the media landscape is going to look like in 2018, let alone in 2032.

**Is Los Angeles still the entertainment capital of the world or have these changes moved a lot of the work elsewhere?**

Absolutely yes on L.A.'s standing. Amid all the technological advances and global growth of media, Los Angeles has solidly remained

first entry into the U.S. entertainment content market.

**What does it say about the industry in L.A. that China's biggest bet so far on the U.S. entertainment industry was a local company?**

The deal speaks to the vibrancy of the Los Angeles creative and business community as well as the global appetite and audience for their content. The bottom line is that clients

rental model to the sell-through model with the invention of the DVD, and a whole new set of economics. Next came VOD and SVOD on conventional television sets. Today, it's smartphones and tablets, and in a few years we could be using virtual retinal display or other technologies not yet on the drawing board. In each case, business and legal teams need to delve into the economics, rights and obligations involved in these technologies. I've seen different hot technologies come and go, but the exercise remains the same.

**What is the biggest challenge facing your area of the business right now and how do you plan to combat it?**

Changing technologies are behind the greatest challenges and greatest opportunities for legal work in the entertainment business. Content is flowing in different directions and consumers are engaging with it in a number of ways and on a variety of platforms. Place that against the global backdrop where, for example, countries like China and India have a huge potential audience for consuming content and strong ambitions to be leaders in the entertainment business, and you can see how our work has gotten more global and complex. We address the challenges this creates by focusing on the business goals of our clients, regardless of the deal at hand. Where do they want to go and how do we get them there in the most efficient, protected and profitable way? When we answer that question, we're on a good path toward a successful deal.

**'The rise of the digital age has affected everything we touch from a legal perspective.'** — JOE CALABRESE, Latham & Watkins

the creative capital of audiovisual content production. That includes the traditional movie studios and television networks as well as exciting new companies that are redefining how we're entertained, such as **Netflix, Snapchat, Maker Studios, Crackle** and **Hulu**, each of which was born here or has a sizable presence in L.A. **Legendary Entertainment** is another great example. It owns film, television, digital, data analytics and comics divisions, and just this month sold a majority stake in the company to China's Dalian Wanda Group. We're very proud that **Legendary**, a company I've advised since its inception, was chosen by China's most forward-thinking media company to be its

from around the world still look to L.A. and a hometown firm like Latham & Watkins to handle their biggest deals. L.A. remains the most sophisticated and interesting place to practice entertainment law.

**How have you personally adapted to the changes of the digital era to stay successful?**

I remember being assigned in 1982 to work on a deal to acquire Andre Blay Home Video. As a young lawyer who didn't spend much time at home, I first had to ask, "What's a home video?" But in many ways, it was the beginning of consumer-controlled consumption of content. That evolved from a