

UTA & ICM Accused Of Forming TV “Cartel” with WME & CAA In New Complaint From Boutique Agency



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by Dominic Patten
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Two weeks to the day that [Lenhoff & Lenhoff](#) saw a chunk of their antitrust and anti-packaging suit against [UTA](#) and [ICM Partners](#) tossed by the courts, the boutique agency is back today with a second amended complaint – and they are pulling mega-agencies [WME](#) and [CAA](#) further into the multi-claim case now as well.

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“Plaintiff alleges that Defendants UTA and ICM, together with two other ‘Uber’ talent agencies, William Morris Endeavor (‘WME’) and Creative Artists Agency (‘CAA’), have engaged in a conspiracy to restrain trade and to create an oligopoly in order to control the scripted television (‘TV’) relevant market, including the scripted TV packaging submarket,” says the new case summary in the new amended complaint that [Lenhoff & Lenhoff’s](#) lawyer Phillip Kaplan filed Friday in federal court ([read it here](#)). Instead of citing Section 2 of the Sherman Act, the new jury seeking complaint now hangs its hat on a violation of Section 1 of the law. “Plaintiff alleges that Defendants UTA and ICM have agreed and conspired with WME and CAA to form a ‘cartel’ or oligopoly.”

“This restraint/control has been achieved by Defendants’ agreement to implement a series of exclusive dealing contracts, the effect of which, particularly cumulatively, has been to foreclose competition and to protect

Defendant/Uber agencies against competition.” It should be noted that WME and



CAA have not be named as defendants in the case. It should also be noted that where the term monopoly existed in the previous complaints, we now find the word oligopoly – a distinction that could convince Judge Beverly Reid O’Connell that the facts of the case warrant moving forward. As in previous filings, the plaintiff seeks wide ranging unspecified

damages as well as injunctive and declarative relief under the Sherman Act and California Business and Professions Code.

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Kristen
13 hours
This case is going to be decided in the 9th district court. These big agencies agencies

CAM
1 day
if studios simply stopped paying packages this would all go away. Talent

Lars
2 days
Welcome to Hollywood, guys. Form your own oligopoly.

“Plaintiff alleges that the loss of its clients herein was directly related to the appetites of Defendants UTA and ICM and their unlawful intent to oligopolize and control the relevant market to the exclusion of other agencies,” added today’s second amended complaint, reiterating the claims of the [initial February 13 complaint](#) that two of the smaller agency’s producer clients were poached last year by the bigger guys. The first amended complaint in the case [was filed in June](#).

And that issue is where the other major change in the second amended complaint emerges in the Intentional Interference with Contract third cause of action. Whereas before the plaintiff claimed its “contractual relationships” with its now former clients were intentionally disrupted by UTA and ICM, [Lenhoff & Lenhoff](#) are now waving the rules of the Directors Guild as a warning sign that the agencies knew of and disregarded.

The Guild has a mechanism of a 90-day termination provision that applies to such contracts and therefore they are not, contrary to what UTA and ICM are insisting, terminable at will. In fact, they are further enshrined by actual employment. Boiled down to its essence, “because Client #1 was employed at the time she gave notice of termination, her notice was null and void and constituted a breach of contract,” says Friday’s filing. [Lenhoff & Lenhoff](#) also claim that the DGA’s semiannual audit of agencies meant that UTA and ICM both knew that the small agencies repped their producers and that these contracts were not terminable at will contracts and ignored that.

Don’t think either UTA or ICM Partners will be ignoring that in their responses to this latest complaint. Bryan Freedman and David Marmorstein of Freedman and Taitelman LLP plus Steven Marenberg and Melissa Rabbani on Irell and Manella LLP are representing UTA in this matter. Michael Garfinkel of Perkins Cole LLP is representing ICM Partners.

Philip J. Kaplan of the Wilshire Boulevard-based Law Offices of Philip J. Kaplan represents [Lenhoff & Lenhoff](#) in the action.