

California Powerhouse: Munger Tolles & Olson

By Jack Queen

Law360 (September 9, 2019, 4:26 PM EDT) -- Munger Tolles & Olson LLP spent another year at center stage in some of the Golden State's biggest media and entertainment battles, notching multimillion-dollar wins for movie studios locked in copyright disputes with distributors while securing victories in high-exposure cases in courtrooms on both coasts.

The Los Angeles-based firm's string of victories landed it on Law360's California Powerhouses list for the third year in a row as it followed up on several of its highlights from 2018 with knockout blows, including a \$62 million verdict in a copyright dispute between movie studios and streaming platform VidAngel.

Hailyn Chen, the firm's co-managing partner alongside Malcolm Heinicke, said the firm's low-leverage model and high number of talented associates helps Munger Tolles stay nimble and ready to gear up quickly for high-stakes courtroom battles.

"People think of us as a fairly small shop, but we can pull together large teams quickly for the cases where it's needed," Chen said. "We're a smaller firm that punches above our weight."

In March, the firm swooped in on the eve of a trial in Delaware to help Rent-A-Center escape a \$1.4 billion takeover bid, allowing the rent-to-own retailer to stay private and negotiating a \$92 million payment to the company from its would-be buyers, Vintage Capital Management and B. Riley Financial.

"That really played to our strengths: getting ready on very short notice, understand the facts and going to trial ready to win," Chen said. "We do that by having a really deep bench of trial lawyers — not just at the partner level, but the associate level, too."

In May, Heinicke led a team to victory in an employment case with statewide implications, representing armored truck company Garda in a putative class action over meal period and overtime claims. The firm won a series of decisive judgments establishing that the unique services that armored car companies provide afford them some leeway with California labor laws governing lunch breaks and overtime.

"That wasn't just a fun litigation win, though it certainly was that," Heinicke said. "It was also a very significant ruling with industrywide implications across the state of California."

Heinicke said that in all of the firm's major wins this past year, young partners and associates have made key contributions, a point of pride for Munger Tolles and an enduring feature of its low-leverage model.

As of July, the firm had 193 lawyers practicing in offices in Los Angeles, San Francisco and Washington, D.C.

"I think what makes me proudest when I look back at our accomplishments over the past year it's that they were achieved in great part because of our younger lawyers," Heinicke said. "It shows the depth that we have as a law firm, which is frankly our hallmark."

Fred Rowley, an appeal specialist at Munger Tolles, said he benefited from jumping into the deep end early after joining the firm in 1999 and has relished the opportunity to give young associates important duties as a partner.

"The early responsibility that I got here as a young lawyer is really structural to the firm," he told Law360. "We really ask young lawyers to step up and have a meaningful role in our cases, and that's something that really attracted me to the firm."

Rowley said that an associate and a young partner played key roles on his team as it argued a major workers' compensation case before the California Supreme Court in August 2018, winning an appeal that protects service providers and doctors from tort claims brought under the state's workers' compensation laws.

"The concern there was that if you could bring tort suits against doctors reviewing claims, that could undermine the legislature's carefully-crafted scheme that sets out clear remedies through the state system," Rowley said.

Early responsibility can be both a blessing and a curse for young attorneys. But Heinicke and Chen said their firm is looking for lawyers who are ready for the big leagues. That's exactly where many of the firm's attorneys quickly find themselves.

"They show up here, and we give them meaningful work," Heinicke said. "And as you can see from our cases, they knock it out of the park."

In June, the firm followed up on an injunction win from 2017 that helped land it on last year's Regional Powerhouse list, netting \$62 million in damages for studios including Disney and Lucasfilm from streaming service VidAngel after a jury trial.

Last September, the firm won \$25 million for movie studios and streaming platforms in a copyright row with TickBox, winning a stipulated judgment and permanent injunction against the manufacturer of streaming devices for providing software to users that allowed access to pirated content.

In addition to big-name entertainment clients, the firm has also picked up work from tech giants and Silicon Valley heavyweights including Facebook, Airbnb, Lyft and Snap as they navigate uncharted legal waters and face novel regulatory and compliance issues.

"We continue to see a lot of cutting-edge cases coming out of the tech space," Chen said. "That industry is presenting a lot of issues that courts have never grappled with before, and I suspect we'll continue to see more of that."

California's humming economy has been keeping Munger Tolles busy, but Heinicke said the firm plans to stick to its practice of measured, steady growth. Avoiding spending sprees when business is booming has

helped the firm avoid having to shed weight in lean times, he said.

"We're doubling down on our core firm values because they've never stopped working for us," Heinicke said. "Our plan is to stay the course and stick to our model."

--Editing by Jay Jackson Jr.