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WGA pulls state lawsuit against talent agencies and takes fight to federal court



WGA West's office. (Al Seib / Los Angeles Times)

By WENDY LEE
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The Writers Guild of America, West on Monday moved to dismiss its own state lawsuit against several talent agencies as the union took its case to federal court, escalating a fight that has rattled Hollywood for months.

The guild on Monday filed a motion in Los Angeles Superior Court to dismiss a lawsuit it filed against the major talent agencies in April, according to a court filing obtained by the Times.

Separately, the guild said it filed lawsuits in federal court against William Morris Endeavor, United Talent Agency and CAA, alleging the agencies' practices violate antitrust laws.

It's not clear what prompted the WGA decision to pull the state court lawsuit. But the actions come shortly before a judge was expected to issue a ruling on whether the case would be dismissed, a potentially damaging blow to union leaders who have faced criticism from some dissidents over their handling of the protracted standoff with agents.

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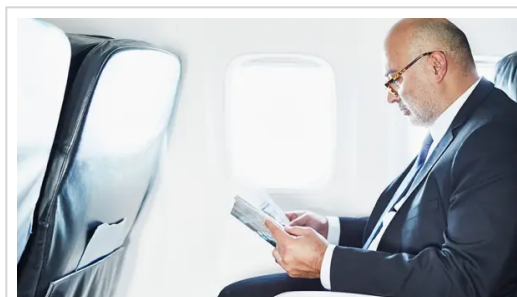
“The WGA’s dismissal of its own state court lawsuit today represents a complete retreat by guild leadership, who were fully aware they faced certain defeat in the courts in a few weeks,” UTA said in a statement. “The lawsuit represented the WGA’s ill-considered and poorly executed campaign that continues to harm writers, who labor on unnecessarily without effective representation.”

WGA, West President David Goodman defended the union’s actions.

“Over the years the major agencies have repeatedly broken federal antitrust law by conspiring to fix the price of packaging fees,” he said. “Their current campaign to preserve the packaging-fee model

by strong-arming smaller agencies also violates the law. We are simply asking the court to stop these agencies from illegally enriching themselves at the expense of writers.”

The [union sued the agencies in April](#), alleging that the long-standing practice of packaging — pulling together talent for a project and then collecting a fee for it — violated state and federal laws.



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The talent agencies disputed those claims, saying that packaging has been part of an agreement between the union and the talent agencies for more than four decades. The agencies also have said that writers could opt to not be a part of a package and that they benefit from packaging because they don’t have to pay a typical 10% commission fee.

The guild remains at a standoff with the talent agencies on a new code of conduct to replace one that expired this year. In April, the union instructed members to fire agents who did not sign the union’s new agreement.

Talent agencies WME, UTA and CAA in June and July filed federal lawsuits against the WGA, West alleging the union broke antitrust laws when it instructed its members to fire their agents. The WGA’s lawsuits on Monday were counterclaims against those agencies.

WME declined to comment. CAA did not respond to a request for comment.

ICM Partners was part of WGA’s state court lawsuit, and WGA has not filed a federal lawsuit against the agency. ICM’s attorney declined to comment.

“We are considering our options with respect to bringing claims against ICM and other agencies in federal court,” said WGA, West spokesman Neal Sacharow in an email.

Some attorneys said the union's move was unusual.

"It's unorthodox to file a state court lawsuit and then dismiss that lawsuit with the demurrer [motion to dismiss in state court] pending," said Dan Stone, a partner in the litigation and entertainment and media groups of law firm Greenberg Glusker. "It seems like the WGA has changed their litigation strategy midstream."

The union has been in discussions with individual agencies, with [more than 70 mostly smaller firms](#) agreeing to the new code of conduct.

The court fight comes amid a heated election that will be finalized Sept. 16.

Some members of the union have disagreed with its direction and have formed a slate of candidates challenging the guild's leadership in the election, in which voting closes Sept. 16. Oscar-nominated writer and dissident Phyllis Nagy is running against Goodman for president and has [already received hundreds of signatures](#) in a letter supporting her, including from prominent writers Shonda Rhimes, Ryan Murphy and Ava DuVernay.

"Make no mistake about what's going on here," Nagy said in a statement about Monday's court actions. "It has nothing to do with just and righteous lawsuits and everything to do with a bald desire to win an election by hiding the truth from all concerned."

Writers who signed that letter also expressed concern about a drawn-out conflict with the talent agencies that may not be resolved in time for the union's negotiations with the major studios for a new film and TV contract to replace one that expires in June.

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