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COPYRIGHT PREEMPTION: IS THIS THE END OF *DESNY V. WILDER*?

Glen L. Kulik*

I. INTRODUCTION

The pattern is familiar. It occurs many times each day in the entertainment industry. A writer completes a screenplay, convinced it is the best work of his career. He places a call to the potential producer. The producer's assistant, mindful of the demands on the boss' time, asks the writer to send a treatment. The writer agrees, and within days the producer receives a four-page outline. The producer passes on the treatment, but within months, produces a film very similar to the story, characters, and concept described in the treatment. The writer sues, feeling cheated. Does the writer have a legitimate claim?

These are the basic facts of the California Supreme Court's landmark decision in 1956 in the case of *Desny v. Wilder*.¹ In *Desny*, the plaintiff alleged he "conceived, originated and completed" a literary and dramatic composition about the life of Floyd Collins.² In addition, the plaintiff claimed he submitted the composition to the defendants "for the purpose of sale," and that it was only to be used after the payment of adequate compensation.³ Initially, the court noted the plaintiff must meet certain requirements in order "to recover for a mere abstract, unprotectable idea."⁴ However, different requirements apply for claiming a property right in a

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1. 299 P.2d 257 (Cal. 1956).

2. *Id.* at 260.

3. *Id.* at 260–61. In *Desny*, the writer prepared a treatment, called the producer's secretary, read the treatment to her over the telephone, and she recorded it in shorthand verbatim. *Id.* at 261–62. The plaintiff alleged he submitted his "property" to the defendant for the purpose of sale. *Id.* at 262. In considering the different causes of action asserted, including plagiarism, quasi-contract, and implied-in-fact contract, the Court analyzed the case both from the perspective of the literary material as a "property" and the separate disclosure of ideas which happened to be incorporated in the literary property. *See id.* at 263–64.

4. *Desny*, 299 P.2d at 263.

literary composition.⁵ The court held that although an infringement claim was not available for the “theft” of an idea, the plaintiff may assert an express or implied contract claim.⁶

Desny spawned hundreds of cases in the thirty years following the decision.⁷ Today, it is possible the outcome in *Desny* would be very different. A plaintiff who makes these same allegations based on similar or even identical facts is likely to face a very different outcome. A plaintiff, for instance, must fight for months at great expense to survive the pleading stage.⁸ Moreover, a defendant will immediately remove the case to federal court, alleging the contract cause of action is a disguised copyright infringement claim, subject to federal court jurisdiction.⁹ Once the case is entrenched in federal court, the defendant will move to dismiss the claim, contending it is preempted by the Copyright Act of 1976.¹⁰

Courts are arriving at inconsistent conclusions on the issue, although a growing number of trial courts are finding preemption of the contract claim if the ideas are described in a writing and are submitted to the defendant.¹¹ Preemption occurs even though the submission may be accompanied, or even preceded, by an oral pitch.¹² California set the standard for protecting the disclosure of one’s creative ideas.¹³ Therefore, it is ironic that with one of the largest entertainment communities, the Central District of California seems to pose the greatest threat to the continued viability of a *Desny*-type claim.¹⁴ The Ninth Circuit

5. *Id.*

6. *Id.* at 267. Prior to *Desny*, plaintiffs attempted to protect their ideas on a variety of theories including common law copyright, plagiarism, conversion, unjust enrichment, and contract. As discussed, *infra*, after *Desny* it was clear an idea was not protectable on any of these theories except for breach of an express or implied contract. Subsequently, as is also discussed, *infra*, courts in California recognized ideas were protectable on the basis of a breach of confidence claim or breach of a fiduciary/confidential relationship. Thus, even though there are still multiple theories available to protect an idea, when one refers to an “idea submission claim,” the usual reference is to an implied-in-fact contract as described in *Desny*.

7. *See, e.g.*, *Rokos v. Peck*, 227 Cal. Rptr. 480 (Ct. App. 1986); *Klekas v. EMI Films, Inc.*, 198 Cal. Rptr. 296 (Ct. App. 1984); *Mann v. Columbia Pictures, Inc.*, 180 Cal. Rptr. 522 (Ct. App. 1982); *Faris v. Enberg*, 158 Cal. Rptr. 704 (Ct. App. 1979); *Fink v. Goodson-Todman Enters., Ltd.*, 88 Cal. Rptr. 679 (Ct. App. 1970); *Blaustein v. Burton*, 88 Cal. Rptr. 319 (Ct. App. 1970); *Donahue v. United Artists Corp.*, 83 Cal. Rptr. 131 (Ct. App. 1969); *Minnear v. Tors*, 72 Cal. Rptr. 287 (Ct. App. 1968); *Donahue v. Ziv Television Programs, Inc.*, 54 Cal. Rptr. 130 (Ct. App. 1966); *Chandler v. Roach*, 319 P.2d 776 (Cal. Ct. App. 1957).

8. *See* discussion *infra* Part IV.

9. *Id.*

10. 17 U.S.C. §§ 101–1331 (1994 & Supp. IV 1999).

11. *See* discussion *infra* Parts III–V.

12. *See* discussion *infra* Part V.

13. *See infra* note 56 and accompanying text.

14. *See, e.g.*, *Metrano v. Fox Broad. Co.*, No. 00-02279, 2000 U.S. Dist. LEXIS 7662 (C.D.

Court of Appeals, likely to hear any appeal on the issue emerging from California, has never actually addressed the issue in a reported decision.¹⁵ As a result, the outcome of a preemption argument depends on the particular court in which the matter is pending, and on the particular judge to whom the case is assigned. More often than not, what courts once recognized as a viable claim under California law no longer exists.

Thus, a serious question arises as to whether today, ideas are still protected under *any* theory. In reality, when one attempts to sell an idea for a film or television program, the idea inevitably is memorialized in some form of writing submitted to a studio, network, or production entity. Business is conducted this way in virtually every case. Defendants can and will argue that a plaintiff's sole cause of action is for copyright infringement because anything reduced to writing is theoretically copyrightable. Courts are presently split on this issue.¹⁶ However, if the majority adopts this principle, it will, for all practical purposes, be the end of idea submission cases and of the principles established in *Desny*.

II. THE HISTORICAL PROTECTION OF IDEAS UNDER CALIFORNIA LAW

Desny was the last in a series of cases decided by the California Supreme Court between 1949 and 1956, establishing the protection of ideas in California and elsewhere.¹⁷ Prior to *Desny*, in *Stanley v. Columbia Broadcasting System*,¹⁸ the plaintiff "prepared, composed and [wrote] an original script for a radio program" and submitted it to the defendant.¹⁹

Cal. Apr. 24, 2000) (dismissing implied contract claim after removal to federal court); *Selby v. New Line Cinema Corp.*, 96 F. Supp. 2d 1053 (C.D. Cal. 2000) (dismissing implied contract claim); *Endemol Entm't B.V. v. Twentieth Television, Inc.*, 48 U.S.P.Q. 2d (BNA) 1524 (C.D. Cal. 1998) (dismissing implied contract claim); *Worth v. Universal Pictures, Inc.*, 5 F. Supp. 2d 816 (C.D. Cal. 1997) (dismissing removed implied contract claim).

15. In a recent unpublished opinion, the Ninth Circuit Court of Appeals noted "[r]ights created by contract do not create exclusive rights and thus a claim for inducing breach of contract is normally not equivalent to the rights within the scope of the Copyright Act. However, this circuit has not definitively ruled on this issue in the context presented by this appeal." *Star Patrol Enters., Inc. v. Saban Entm't, Inc.*, No. 95-56534, 1997 U.S. App. LEXIS 29994, at *9 (9th Cir. Oct. 23, 1997).

16. See *infra* Parts III-V.

17. *Weitzenkorn v. Lesser*, 256 P.2d 947 (Cal. 1953) (affirming implied contract cause of action for use of literary composition); *Kurlan v. Columbia Broad. Sys., Inc.*, 256 P.2d 962 (Cal. 1953) (affirming implied contract cause of action for radio program idea); *Burtis v. Universal Pictures Co.*, 256 P.2d 933 (Cal. 1953); *Stanley v. Columbia Broad. Sys., Inc.*, 221 P.2d 73 (Cal. 1950) (affirming implied contract claim for use of an idea for a radio program).

18. 221 P.2d 73 (Cal. 1950).

19. *Id.* at 74.

The defendant declined any interest in producing the script.²⁰ Subsequently, plaintiff alleged that a radio program later produced by the defendant “substantially copied and embodied plaintiff’s radio program and, as a result, [defendant] became indebted to the plaintiff for the use thereof.”²¹ The Court held that the idea was potentially protected by an implied-in-fact contract.²² Moreover, at the time it was decided, *Stanley* was noteworthy for its holding that an idea must be “novel” to be protected by contract.²³ This requirement was later repudiated in *Desny* and in several subsequent decisions.²⁴

In *Weitzenkorn v. Lesser*,²⁵ the plaintiff was the author of a screenplay entitled “Tarzan in the Land of Eternal Youth.” The plaintiff submitted the screenplay to the defendant’s production company “‘pursuant to an express oral understanding and agreement’ that, in consideration of such submission, she would be paid the reasonable value thereof and given the customary screen credit as author if they should use all or any part of it.”²⁶ While professing to have no interest in the material, the defendant later produced a film entitled “Tarzan’s Magic Fountain,” allegedly “patterned upon[,] [copying, and using]” the plaintiff’s work.²⁷ In considering the defendant’s demurrer, the court concluded the plaintiff could not protect her ideas as a property right, but was entitled to proceed on her claims for breach of oral contract and breach of implied-in-fact contract.²⁸

A common element shared by *Weitzenkorn* and *Stanley* is that the plaintiffs in both cases alleged their ideas were contained in written form and submitted to the defendants.²⁹ Today, these cases would immediately

20. *Id.*

21. *Id.*

22. *Id.* at 75.

23. *Id.* Justice Traynor’s dissenting opinion in *Stanley* argued novelty should not be a requirement. *Stanley*, 221 P.2d at 85. This view was adopted by the Supreme Court in *Desny* and since that time the law in California is that an idea need not be novel to be protected by contract. See, e.g., *Blaustein v. Burton*, 88 Cal. Rptr. 319, 334 (Ct. App. 1970); *Donahue v. Ziv Television Programs, Inc.*, 54 Cal. Rptr. 130, 142 (Ct. App. 1966).

24. See, e.g., *Rokos v. Peck*, 227 Cal. Rptr. 480, 486 (Ct. App. 1986) (stating even though an idea disclosed may be widely known and generally understood, it may be protected by contract); *Fink v. Goodson-Todman Enters., Ltd.*, 88 Cal. Rptr. 679 (Ct. App. 1970); *Donahue v. Ziv Television Programs, Inc.*, 54 Cal. Rptr. 130 (Ct. App. 1966) (rejecting the proposition that defendants can be contractually liable only if they use “novel” portions of plaintiff’s submission).

25. 256 P.2d 947 (Cal. 1953).

26. *Id.* at 950.

27. *Id.*

28. *Id.* at 959.

29. *Id.* at 950; *Stanley*, 221 P.2d at 74.

be removed to federal court where it is questionable that a court would ever reach a decision on the merits of the plaintiffs' contract claims.

In truth, under California law, ideas may only be protected on an implied-in-fact contract theory, but only in very limited circumstances. *Mann v. Columbia Pictures, Inc.* lists the most often cited requirements.³⁰ First, the plaintiff must have an idea submitted to the defendant.³¹ Additionally, the defendant must receive and have access to the plaintiff's idea.³² The idea need not be novel,³³ but from a practical perspective, it must have some flesh and bone or the plaintiff will have a difficult time prevailing at trial and recovering meaningful damages.³⁴

The second requirement is that the idea be disclosed for sale.³⁵ An idea will not be protected if it is disclosed for any other purpose.³⁶ For example, in *Faris v. Enberg*,³⁷ the plaintiff submitted a treatment disclosing his idea for a new television game show to a man whom he hoped would be interested in appearing as the show's host.³⁸ The potential host declined the offer, but later appeared as the host of a very similar show.³⁹ The court held the plaintiff could not recover because the idea was not disclosed for sale.⁴⁰

30. 180 Cal. Rptr. 522 (Ct. App. 1982). The court held the requirements for idea protection are:

1. That plaintiff submitted her ideas to the defendants and that the defendants received them.
2. That before plaintiff submitted her ideas to the defendants, she clearly conditioned her disclosure upon defendants' agreement to pay for those ideas of plaintiff's which the defendants used, if any.
3. That defendants knew, or should have known, the condition upon which the disclosure was being made before the disclosure was made.
4. That the defendants voluntarily accepted the submission on plaintiff's terms and thereby impliedly agreed to pay plaintiff for any of her ideas which they might use.
5. That in writing the script for the motion picture "Shampoo," the defendants actually used plaintiff's ideas, that is, that the defendants based the motion picture "Shampoo" substantially upon plaintiff's ideas rather than on their own ideas or ideas from other sources.
6. That the ideas of plaintiff which were used, if any, had value.

Id. at 533–34 n.6.

31. *Id.* at 533.

32. *Id.*

33. See *Mann*, 180 Cal. Rptr. 522 (stating novelty is not required to enforce an implied contract).

34. *Id.*

35. *Id.* at 533.

36. *Id.*

37. 158 Cal. Rptr. 704 (Ct. App. 1979).

38. *Id.* at 707.

39. *Id.*

40. *Id.* at 709. The court stated:

[P]laintiff never thought of selling his sports quiz show idea to anyone—including

The third requirement, is that before submitting the idea, the plaintiff must condition the disclosure upon the defendant's agreement to pay for the use of the idea.⁴¹ In other words, the plaintiff must prove the defendant knew, or should have known, the condition for the idea submission. An obligation to pay cannot be inferred from the mere fact that a submission is made.⁴² Because an agreement to pay cannot be forced on the defendant, the defendant, at a minimum, must have had an opportunity to reject the submission before it was made.⁴³

Finally, the plaintiff must prove the defendant actually used the submitted ideas.⁴⁴ In *Mann*, the plaintiff wrote a twenty-nine page written format entitled "Women Plus," allegedly submitted to the defendant for sale.⁴⁵ The defendant passed, but later produced the film "Shampoo."⁴⁶ The plaintiff then alleged the film was based on her format.⁴⁷ In granting the defendant's motion for judgment notwithstanding the verdict, the court noted, "[i]f the two defendants did not use [plaintiff's] ideas in the 'shooting script,' the fact that the motion picture may strongly resemble [plaintiff's screenplay] does not afford plaintiff a cause of action against Columbia for breach of an implied contract."⁴⁸ The court found conclusive

Enberg. He appears at all times to have intended to produce it himself, and sought out Enberg, as a master of ceremonies. He obviously hoped to make his idea more marketable by hiring a gifted sports announcer as his master of ceremonies. Not only did Faris seek to induce Enberg to join him by showing him the product, but also sought to entice him by promises of a "piece" of the enterprise for his involvement. Plaintiff never intended to submit the property for sale and did not tell Enberg that he was submitting it for sale. There is no reason to believe that Enberg . . . would have believed that Faris' submission was an offer to sell something, which if used would oblige the user to pay.

Id.

41. *Mann*, 180 Cal. Rptr. at 534 n.6.

42. *Id.* at 535. In *Desny*, the Court observed:

[S]uch inferred or implied promise, if it is to be found at all, must be based on circumstances which were known to the producer at and preceding the time of the disclosure of the idea to him and he must voluntarily accept the disclosure knowing the conditions on which it was tendered The law will not imply a promise to pay for an idea from the mere facts that the idea has been conveyed, is valuable, and has been used for profit; this is true even though the conveyance has been made with the hope or expectation that some obligation will ensue.

299 P.2d at 270.

43. *Desny*, 299 P.2d at 270 (stating no valid claim can exist "unless the offeree has an opportunity to reject the consideration—he preferred conveyance of the idea—before it is conveyed").

44. *Mann*, 180 Cal. Rptr. at 533–34 n.6.

45. *Id.* at 524.

46. *Id.*

47. *Id.* at 528.

48. *Id.* at 535.

evidence that the defendant independently created its film, even though the ideas were similar and the defendant may have had access to the plaintiff's idea.⁴⁹

As a result, to prevail in an idea submission case, the plaintiff must prove a specific series of rigid facts that are difficult to prove even in the best of cases. In contrast, none of these elements are required to prove copyright infringement.⁵⁰

Furthermore, the copyright owner receives protection for the material as against the entire world.⁵¹ This protection extends whether the copyright owner directly communicated with the defendant or not, and regardless of whether that defendant agreed to respect the owner's interest.⁵²

Conversely, in an idea submission case, the relationship of the parties is protected, rather than the nature of the disclosed information.⁵³ A contract creates rights only as between the contracting parties, and the only possible defendant is the party to whom an idea was directly submitted for sale.⁵⁴ As discussed below, these distinctions have received little or no attention from courts finding idea submission claims are preempted by the Copyright Act.⁵⁵

III. THE COPYRIGHT ACT OF 1976 AND THE ELEMENTS OF AN INFRINGEMENT CLAIM

The present federal copyright legislation was passed twenty years after the California Supreme Court decided *Desny*. During that twenty year period, California appellate courts repeatedly reaffirmed claims seeking to protect the disclosure of ideas based on a contract theory.⁵⁶ The last time

49. *Id.* at 535. A showing by the plaintiff of "access" and "similarity" can give rise to an inference that the defendant used an idea. *Id.* at 534. However, the inference can be rebutted by the defendant's showing of "independent creation." *Id.* In effect, a defendant can introduce evidence that the access and similarity are a mere coincidence and that a defendant's work was created without knowledge of, or resort to, a plaintiff's ideas.

50. *Kling v. Hallmark Cards, Inc.*, No. 99-55222, 2000 U.S. App. LEXIS 22487, at *21 (9th Cir. Sept. 6, 2000).

51. *See infra* note 101 and accompanying text.

52. *Id.*

53. *Desny*, 299 P.2d. at 266. One cannot own a property interest in an idea. *Id.* at 265. An idea can be protected, if at all, based on the contractual relationship of the parties. *Id.* at 266.

54. *Mann*, 180 Cal. Rptr. at 533.

55. *See* discussion *infra* Part IV.

56. *See, e.g.*, *Blaustein v. Burton*, 88 Cal. Rptr. 319 (Ct. App. 1970) (holding plaintiff's idea of filming Shakespeare's "Taming of the Shrew" is one that may be protected by contract); *Minnear v. Tors*, 72 Cal. Rptr. 287 (Ct. App. 1968) (holding the law protects ideas under certain contractual circumstances).

the California Supreme Court considered an idea submission case was in 1975.⁵⁷ At that time, the court held an idea was also protectable on a breach of confidence theory.⁵⁸

In *Davies v. Krasna*,⁵⁹ the plaintiff “submitted his written story ‘Love Must Go On’ to the defendant in confidence.”⁶⁰ The defendant then incorporated the “idea, central theme, and dramatic core of that story” into his play “Who Was That Lady I Saw You With.”⁶¹

The court noted, “[it] never ruled that a cause of action for breach of confidence can rest upon a basis other than a contract that protects that confidence.”⁶² The court concluded the defendant had an obligation not to use or disclose the idea without the creator’s consent because the plaintiff submitted the idea to the defendant in confidence.⁶³ The claim is treated as a tort.⁶⁴ However, in California, the decision is limited by a subsequent holding that the idea disclosed in confidence must be novel.⁶⁵

The year after *Davies* was decided, Congress passed the Copyright Act of 1976.⁶⁶ On its face, the statute expressly provides copyright protection is not afforded to ideas but only to the expression of those ideas.⁶⁷ Considerable litigation has ensued over what constitutes an idea and what constitutes the expression of that idea.⁶⁸ The relevant point for purposes of this Article is that an idea is not protected by copyright law.⁶⁹

57. *Davies v. Krasna*, 121 Cal. Rptr. 705 (Ct. App. 1975).

58. See *Faris*, 158 Cal. Rptr. at 711. A breach of confidence cause of action is a tort. *Id.* It requires proof of a disclosure in confidence by one party to another. *Id.* It does not require there be a “confidential relationship,” only that a disclosure was made in confidence such that the recipient of the disclosure was not free to use the information or disclose it to a third party without the permission of the plaintiff. *Id.*

59. 121 Cal. Rptr. 705 (Ct. App. 1975).

60. *Id.* at 706.

61. *Id.*

62. *Id.* at 707.

63. *Id.* at 709.

64. *Id.*

65. *Tele-Count Eng’rs, Inc. v. Pacific Tel. & Tel. Co.*, 214 Cal. Rptr. 276, 280 (Ct. App. 1985). As discussed, *infra*, while there is a growing trend in the trial courts that implied-in-fact contract claims are preempted, those same courts seem to conclude that breach of confidence claims are not preempted. *E.g.*, *Metrano v. Fox Broad. Co.*, No. 00-02279, 2000 U.S. Dist. LEXIS 7662 (C.D. Cal. Apr. 24, 2000).

66. 17 U.S.C. §§ 101–1331 (1994 & Supp. IV 1999).

67. See *Landsberg v. Scrabble Crossword Game Players, Inc.*, 736 F.2d 485, 488 (9th Cir. 1984) (holding copyright protects only an author’s expression of an idea and not the idea itself); *Universal City Studios, Inc. v. Nintendo Co.*, 615 F. Supp. 838, 858 (S.D.N.Y. 1985) (holding copyright protection extends only to the expression of an idea and not the idea itself).

68. *Sid & Marty Krofft Television Prods., Inc. v. McDonald’s Corp.*, 562 F.2d 1157 (9th Cir. 1977). The court stated:

The real task in a copyright infringement action . . . is to determine whether there

In general terms, § 301 of the Copyright Act preempts claims made under state law that duplicate copyright infringement claims: “[W]orks of authorship that are fixed in a tangible medium of expression . . . come within the subject matter of copyright . . . [and] any such right or equivalent right in any such work [is precluded] under the common law or statutes of any State.”⁷⁰ The legislative history of the Copyright Act suggests that Congress expressly considered the preemption issue.⁷¹ “The intention of section 301 is to preempt and abolish any rights under the common law or statutes of a State that are equivalent to copyright and that extend to works coming within the scope of the federal copyright law.”⁷² While the intent of Congress in § 301 is clearly stated, the difficulty arises in determining when state common law rights are “equivalent to copyright.”

Moreover, the House Committee Report to the Copyright Act states that contract claims are not preempted: “Nothing in the bill derogates from the rights of parties to contract with each other and to sue for breaches of contract.”⁷³ Furthermore, the original version of the legislation *expressly* provided that contract claims are not preempted.⁷⁴ However, Congress removed the provision from the Act prior to its passage.⁷⁵

In *National Car Rental System, Inc. v. Commuter Associates, International*,⁷⁶ the defendant argued the final language of the statute

has been copying of the expression of an idea rather than just the idea itself . . . The difficulty comes in attempting to distill the unprotected idea from the protected expression. No court or commentator in making this search has been able to improve upon Judge Learned Hand’s famous “*abstractions test*.”

Id. at 1163 (citations omitted) (emphasis added). The so-called abstractions test is itself not very helpful. “[T]here is a point in this series of abstractions where [ideas] are no longer protected, since otherwise the playwright could prevent the use of his ‘ideas,’ to which, apart from their expression, his property is never extended.” *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930), *cert. denied*, 282 U.S. 902 (1931).

69. See discussion *infra* Part IV.

70. 17 U.S.C. § 301 (1994).

71. H.R. REP. NO. 94-1476 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5748.

72. *Id.* at 130. As described, *infra*, it is this statutory language which gives rise to the two-pronged test applied by federal courts in deciding whether copyright law preempts state law.

73. *Id.* at 132.

74. H.R. 4347, 89th Cong., § 301(b)(3) (2d Sess. 1966). The bill states:

Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to . . . activities violating rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106, including breaches of contract, breaches of trust, invasion of privacy, defamation, and deceptive trade practices such as passing off and false representation.

Id.

75. See 17 U.S.C. § 301(b)(3) (1994).

76. 991 F.2d 426 (8th Cir. 1993).

evidenced congressional intent to remove the “safe harbor” from breach of contract preemption.⁷⁷ The Eighth Circuit Court of Appeals disagreed, stating members of Congress were “concerned about the subsequent addition of the tort of misappropriation to the list of non-preempted causes of action, and suggested deletion of the specific examples in order to prevent confusion about the scope of preemption.”⁷⁸ Thus, the court relied on the legislative history of the Copyright Act in holding Congress did not intend to preempt breach of contract actions.⁷⁹

IV. STATE COURT APPROACH TO COPYRIGHT PREEMPTION

Following the passage of the Copyright Act, state courts began determining when common law claims were subject to federal copyright preemption. California courts appeared to have a clear understanding of which claims were preempted.⁸⁰ In substance, claims based on a plaintiff’s alleged property interest are preempted because they regulate the same general subject matter as the copyright legislation.⁸¹

77. *Id.* at 433.

78. *Id.* at 433–34. The court in *National Car Rental* cited the following excerpt from the legislative history:

Mr. Chairman, I offer an amendment [deleting all of the latter part of section 301(b)(3) beginning with the word “including,” followed by the examples of nonpreempted state created rights]. Mr. Chairman, my amendment is intended to save the “Federal preemption” of State law section which is section 301 of the bill, from being inadvertently nullified because of the inclusion of certain examples in the exemption from preemption [I]t would be a serious mistake to cite as an example from preemption the doctrine of “misappropriation.” The doctrine was created by the Supreme Court in 1922 and it generally has been ignored by the Supreme Court and the lower courts ever since. Inclusion of a reference to the misappropriation doctrine in this bill, however, could easily be construed by the courts as authorizing the States to pass misappropriation laws. We should not approve such enabling legislation, because a misappropriation law could be so broad as to render the preemption section meaningless.

Id. at 433–34 n.5 (citing 122 CONG. REC. H10910 (daily ed. Sept. 22, 1976) (statement of Rep. Seiberling)). Thus, the court in *National Car Rental* concluded, “[this] amendment strik[es] the examples merely to remove the specific reference to misappropriation.” *Id.* at 434 n.5.

79. *Id.* at 433–34.

80. See *Rokos v. Peck*, 227 Cal. Rptr. 480, 490 (Ct. App. 1986) (concluding the Copyright Act of 1976 preempted common law causes of action based upon unauthorized use occurring after Jan. 1, 1978); *Mann v. Columbia Pictures, Inc.*, 180 Cal. Rptr. 522, 533 (Ct. App. 1982) (dismissing claims for plagiarism and quasi-contract because they involve property interests and were therefore preempted); see also *Whitfield v. Lear*, 751 F.2d 90 (2d Cir. 1984) (applying California law).

81. See *id.*

However, there are no property interests in ideas because ideas are only protected within the context of a particular relationship.⁸² Furthermore, the Copyright Act does not protect mere ideas.⁸³ As a result, state courts in California concluded that the Copyright Act did not preempt contract claims to protect ideas.⁸⁴

In *Rokos v. Peck*,⁸⁵ the plaintiff writer composed a semi-autobiographical two-part screenplay focusing on the life of a high school student, her relationships, attempted suicide, and the revival of her will to live.⁸⁶ The writer sent a letter to the Suicide Prevention Center in Los Angeles, where it received attention and a positive response from one of the staff psychologists.⁸⁷ The psychologist asked for and received permission “to show [the] scripts to some local film/TV producer friends.”⁸⁸

In response, the writer forwarded copies of treatments for both scripts, and gave the psychologist permission “to show [the] material to any . . . film/TV producer friends who may be interested in the project.”⁸⁹ The psychologist returned the treatments three months later indicating he was unable to generate any interest in the project.⁹⁰

A television “movie of the week” entitled “Last Cry for Help” aired in January, 1979.⁹¹ The film was similar in many respects to the plaintiff’s ideas as described in her written material.⁹² The psychologist and the Center were listed as technical consultants.⁹³ The plaintiff sued for plagiarism, breach of implied-in-fact contract, and unjust enrichment.⁹⁴ The court framed the issue as whether the relationship between the parties resulted in the plaintiff “acquiring any right which could be pursued under state law.”⁹⁵

82. *See id.*

83. *See* 17 U.S.C. § 301 (1994).

84. In fact, if one understands the law correctly, it is the relationship that is being enforced rather than the idea which is being protected. *Desny*, 299 P.2d at 265.

85. 227 Cal. Rptr. 480 (Ct. App. 1986).

86. *Id.* at 482.

87. *Id.*

88. *Id.*

89. *Id.*

90. *Id.*

91. *Rokos*, 227 Cal. Rptr. at 483.

92. *Id.*

93. *Id.*

94. *Id.* at 481.

95. *Id.* at 484.

First, the court concluded that a cause of action for plagiarism, as a copyright claim, was preempted.⁹⁶ The basis for the holding was that such a claim “rests upon a showing that defendant produced a literary work substantially similar to a *protectable* work of the plaintiff.”⁹⁷ Therefore, the plagiarism claim required the existence of a property right, the same general subject regulated by the Copyright Act.⁹⁸

The court then examined in great detail the concept that ideas are protectable by an implied-in-fact contract.⁹⁹ The court noted, “[a]bstract ideas, however, are not now entitled to protection in an action for plagiarism under either federal or state law.”¹⁰⁰ Quoting the preeminent copyright scholar, Professor Melville B. Nimmer (“Nimmer”), the court pointed out that ideas are “free as air,” and that copyright “does not preclude others from using the ideas or information revealed by the author’s work.”¹⁰¹ The court emphasized “a contract creates no monopoly; *it is effective only between the contracting parties; it does not withdraw the idea from general circulation.*”¹⁰² As a result, a non-party is not restricted from using an idea.¹⁰³ However, a “widely known and generally understood” idea may be protected by an express contract stating the idea will be paid for “regardless of its lack of novelty.”¹⁰⁴

Finally, in concluding contract claims are not preempted, the court noted “an implied-in-fact contract bears upon the relationship between the individual parties and makes breaches of such agreements actionable between parties because of the nature of their *personal relationship.*”¹⁰⁵

In *Klekas v. EMI Films, Inc.*,¹⁰⁶ the plaintiff wrote and submitted a novel at different times and in different ways to various defendants.¹⁰⁷ The defendants ultimately produced a film entitled “The Deer Hunter.”¹⁰⁸ The plaintiff alleged the film was based on his unpublished novel and sued for

96. *See id.* at 485.

97. *Rokos*, 227 Cal. Rptr. at 485.

98. *Id.*

99. *Id.* at 486.

100. *Id.* at 485.

101. *Id.* The *Desny* court discussed the concept that ideas are “free as air” absent a certain relationship between the parties. 299 P.2d at 265.

102. *Rokos*, 227 Cal. Rptr. at 486.

103. *Id.*

104. *Id.*

105. *Id.* at 488.

106. 198 Cal. Rptr. 296 (Ct. App. 1984).

107. *Id.* at 298–99.

108. *Id.* at 299.

plagiarism, quasi-contract, and breach of implied-in-fact contract.¹⁰⁹ The plaintiff further sought the remedy of a constructive trust.¹¹⁰

The court noted that, to prove plagiarism, the plaintiff must show the defendants copied “protectable material.”¹¹¹ As such, the Copyright Act preempts these claims.¹¹² The court did not specifically address copyright preemption of the contract claim, but assumed there was no preemption.¹¹³ The court simply addressed the contract claim on its merits, and held the plaintiff could not prove the prima facie elements.¹¹⁴

It is possible the *Klekas* court assumed the contract claim was not preempted because of the recent California Court of Appeal decision in *Mann v. Columbia Pictures, Inc.*¹¹⁵ The *Mann* court implicitly held that no protectable interest was required to assert a contract claim.¹¹⁶ Thus, the property-based claims were dismissed while the contract claims survived.¹¹⁷ Similarly, in a decision that same year by the Second Circuit, the court, applying California law, allowed the plaintiff to proceed on a contract theory, but not on theories such as quasi-contract, unfair competition, and plagiarism.¹¹⁸ Those claims “are actionable only to vindicate legally protected property interests, and an idea is not recognized as a property right.”¹¹⁹

In substance, California courts originally concluded ideas do not implicate federal copyright legislation because they are not subject to ownership or to a property interest, and do not constitute protectable expressions.¹²⁰ As such, a claim based on the relationship of the parties rather than on a property interest is not preempted. Furthermore, it is noted that contract claims do not create any *exclusive* rights as against the world, and thus are not qualitatively the same as copyright protection.¹²¹ While

109. *Id.*

110. *Id.*

111. *See id.* at 301.

112. *Klekas*, 198 Cal. Rptr. at 301.

113. *Id.* at 303–04.

114. *Id.* at 304.

115. 180 Cal. Rptr. 522 (Ct. App. 1982).

116. *See id.* at 526–27.

117. *Id.*

118. *Whitfield v. Lear*, 751 F.2d 90, 92 (2d Cir. 1984). In *Whitfield*, the plaintiff submitted a completed script but claimed “an interest in the ideas contained in his script and seeks redress for misappropriation of the ideas, not their literary or artistic expression.” *Id.* There was no discussion that the contract claim could be preempted because “an idea is not property and is not subject to copyright under California law.” *Id.*

119. *Id.*

120. *See* discussion *supra* Part II.

121. *Id.*

the California courts have not directly addressed this issue in a number of years,¹²² in a recent pronouncement in a slightly different context, the California Court of Appeal suggested its original approach to the preemption issue has not changed. In *Durgom v. Janowiak*,¹²³ the court recognized the complete preemption doctrine is an "independent corollary" to the well-pleaded complaint rule.¹²⁴ However, the court held the corollary did not apply, and that:

Federal copyright law does not completely preempt state law; it preempts state law only to the extent state law purports to create rights "equivalent to any of the exclusive rights within the general scope of copyright". . . . "State laws granting or protecting other rights (such as breach of contract, conversion, defamation, etc.) have not been preempted."¹²⁵

Thus, it is possible state appellate courts would conclude the *Desny*-type claim is not preempted. However, because idea submission cases are now regularly removed to federal court,¹²⁶ it is unlikely state courts will address the issue.¹²⁷

V. THE CASE FOR PREEMPTION OF IDEA SUBMISSION CLAIMS

The legislative history of the Copyright Act arguably underscores the broad reach of preemption under § 301: "The intention of section 301 is to preempt and abolish any rights under the common law or statutes of a State that are equivalent to copyright and extend to works coming within the scope of the Federal copyright law."¹²⁸ Accordingly, in *Del Madera Properties v. Rhodes & Gardner, Inc.*,¹²⁹ the Ninth Circuit announced a two-part test to determine whether the Copyright Act preempts state

122. In 1988, the court of appeal did address the claim of conversion. *Maheu v. CBS, Inc.*, 247 Cal. Rptr. 304, 309 (Ct. App. 1988). It was found that letters written by a famous person that later formed the basis of a published book were copyrightable material and thus a claim for their conversion in this context was preempted. *Id.*

123. 87 Cal. Rptr. 2d 619 (Ct. App. 1999). In *Durgom*, the plaintiff alleged the defendant "failed to make payments . . . pursuant to an assignment of royalties from the copyrighted song 'Nature Boy.'" *Id.* at 620. Because the case involved copyright renewal rights, the defendant contended the contract claim was preempted by the Copyright Act. *Id.* at 625. The court of appeal disagreed. *Id.* at 625.

124. *Id.* ("Under this doctrine, 'once an area of state law has been completely pre-empted, any claim purportedly based on that pre-empted state law is considered, from its inception, a federal claim, and therefore arises under federal law.'" (citation omitted).)

125. *Id.* (citation omitted).

126. See discussion *supra* Part III.

127. *Durgom v. Janowiak*, 87 Cal. Rptr 619, 625 (Ct. App. 1999).

128. H.R. REP. NO. 94-1476, at 130 (1976).

129. 820 F.2d 973 (9th Cir. 1987).

statutory or common law claims.¹³⁰ The court must decide whether the claim: 1) involves a work within the “subject matter of copyright” and 2) protects legal or equitable rights that are “equivalent to” (*i.e.*, not qualitatively different from) the exclusive rights protected by the Copyright Act.¹³¹

Those who oppose copyright preemption argue that because ideas are not protected by copyright, they do not fall within the “subject matter of copyright.”¹³² In addition, these same parties argue a contract claim is qualitatively different from a copyright claim because the contract claim requires proof of an “additional element” in the form of a promise.¹³³ In fact, it is arguable that in an implied-in-fact contract case, several additional elements must be established that are irrelevant in a copyright case.¹³⁴

In substance, opponents of the preemption argument point out that the legal rights in a contract case are limited to the relationship between the plaintiff and the defendant, and do not involve a monopoly against the world as is the case in copyright.¹³⁵ Recent cases, however, illustrate how proponents of the copyright preemption argument persuaded federal judges against these seemingly logical arguments.¹³⁶

In *Metrano v. Fox Broadcasting Co.*,¹³⁷ the plaintiff developed an idea for a television series he referred to as “Beyond Belief.”¹³⁸ In November 1995, he registered a treatment with the Writers Guild of

130. *Id.* at 976.

131. *Id.* at 976–77. This test is derived from the language of 17 U.S.C. § 301(b)(1) and (3). *Id.* at 976 n.1. In *Del Madera*, it was alleged that “defendants misappropriated its time and effort and used a copyrighted Tentative Map . . . to develop land previously owned by Del Madera Properties.” *Id.* at 975. The plaintiff sued for copyright infringement, unfair competition and unjust enrichment. *Id.*

132. See discussion *supra* Part IV.

133. *Del Madera Prods. v. Rhodes & Gardner, Inc.*, 820 F.2d, 973, 977 (9th Cir. 1987) (quoting *Mayer v. Josiah Wedgwood & Sons, Ltd.*, 601 F. Supp. 1523, 1535 (S.D.N.Y. 1985)).

134. According to one court, in a contract claim there are multiple extra elements including “proof of the alleged contractual relationship, its terms, and the conduct that allegedly violated those terms.” *Brown v. MoJo Records*, No. CV-00-286-ST, 2000 U.S. Dist. LEXIS 9155, at *12 (D. Or. June 6, 2000).

135. See *supra* note 101 and accompanying text.

136. See, *e.g.*, *Metrano v. Fox Broad. Co.*, No. CV-00-02279, 2000 U.S. Dist. LEXIS 7662 (C.D. Cal. Apr. 24, 2000) (holding an implied contract claim was preempted by federal copyright law); *Berge v. Bd. of Trs.*, 104 F.3d 1453 (4th Cir. 1997), *cert. denied*, 522 U.S. 916 (1997) (holding the Copyright Act preempted a claim under Alabama law for conversion of intellectual property).

137. 2000 U.S. Dist. LEXIS 7662.

138. *Id.* at *2.

America in which he described the proposed series and sample stories.¹³⁹ In July 1996, the project was verbally pitched to the defendant, Katie Face Productions.¹⁴⁰ At the conclusion of the pitch meeting, the plaintiff left a copy of his treatment and certain other materials with the defendant.¹⁴¹ Subsequently, the defendant informed the plaintiff that he was not interested in the project.¹⁴²

However, in 1999, the defendant commenced production on a television series bearing a substantial similarity to the plaintiff's concept.¹⁴³ The plaintiff sued for breach of implied-in-fact contract and breach of confidence.¹⁴⁴ The defendant ignored the allegations in the complaint and removed the case to federal court, based on the defendant's conclusion that this was a disguised copyright case.¹⁴⁵ The defendant then filed a motion to dismiss on preemption grounds.¹⁴⁶

The court commenced its analysis by citing the *Del Madera* two-pronged test discussed above.¹⁴⁷ The first issue was whether the plaintiff's claims were within the subject matter of copyright law.¹⁴⁸ The plaintiff argued the ideas were first presented orally to the defendant, and that the written materials were delivered at the end of the pitch meeting.¹⁴⁹ The court concluded there was no significance in the fact that the oral presentation preceded delivery of the written material.¹⁵⁰ At the time of the meeting, the ideas were embodied in written material given to the defendant.¹⁵¹ The court reasoned while the treatment may not constitute a fully developed script, it was sufficiently detailed in its description of the

139. *Id.*

140. *Id.* at *2-3.

141. *Id.* at *3.

142. *Id.*

143. *Metrano*, 2000 U.S. Dist. LEXIS 7662, at *3.

144. *Id.* at *4.

145. *Id.*

146. *Id.*

147. *Id.* at *8.

148. *Id.* at *9. The court explained:

State law claims are deemed to be within the general scope of copyright law if the works on which the state law claim is based constitute "original works of authorship fixed in any tangible medium of expression, now known or later developed . . ." Plaintiff created works when he fixed his concepts and ideas for "Beyond Belief" in a treatment that was updated as well as in index cards and tapes.

Metrano, 2000 U.S. Dist. LEXIS 7662, at *9 (quoting 17 U.S.C. § 102(a) (1994)).

149. *Id.* at *10.

150. *Id.* at *13.

151. *Id.* at *10.

plaintiff's ideas.¹⁵² The treatment qualified for copyright protection because it was in writing.¹⁵³

The court addressed whether an idea submission claim fell within the general scope of copyright when ideas are specifically excluded from copyright protection.¹⁵⁴ Although the Ninth Circuit has not decided this issue, the Fourth Circuit, in *Berge v. Board of Trustees of the University of Alabama*,¹⁵⁵ held "ideas embodied in a work covered by the Copyright Act fall within the subject matter of the Act because . . . scope and protection are not synonyms."¹⁵⁶ The *Berge* court further noted, "[the] scope of the Copyright Act's preemption was found to be considerably broader than the scope of its protection."¹⁵⁷

Thus, the Fourth Circuit's decision in *Berge* allows proponents of copyright preemption to satisfy the first prong of the test.¹⁵⁸ Accordingly, an idea contained in written material falls within the "scope," but not within the "protection," of copyright law.¹⁵⁹

The court in *Metrano* proceeded to consider whether the contract claim was equivalent to exclusive rights within the general scope of copyright.¹⁶⁰ Initially, the court noted the Ninth Circuit "has not specified when a breach of implied contract claim is preempted by the Copyright Act."¹⁶¹ The *Metrano* court also cited persuasive authority on both sides of the issue.¹⁶² The court focused on the plaintiff's specific allegation that the

152. *Id.* at *13.

153. *Id.* at *13 n.3.

154. *Metrano*, 2000 U.S. Dist. LEXIS 7662, at *13 n.3.

155. 104 F.3d 1453 (4th Cir. 1997), *cert. denied*, 522 U.S. 916 (1997).

156. *Id.* at 1463.

157. *Id.*

158. *Id.*

159. *Id.* In *Berge*, the plaintiff brought a claim under the False Claims Act alleging the defendants made false statements to the National Institute of Health and in their periodic progress reports required under the terms of the grants. *Id.* at 1456. The plaintiff wrote an unpublished dissertation on the possible cause of low-birth weight in infants. *Id.* She alleged the defendants copied her work in progress reports to the federal government. *Id.* at 1455-56. Among her claims, the plaintiff sued for conversion of intellectual property under Alabama law. *Id.* at 1462. The court noted the dissertation was in written form and thus subject to copyright protection. *Id.* at 1463. The court addressed whether "there is an 'extra element' that changes the nature of the state law action [for conversion] so that it is 'qualitatively different from a copyright infringement claim.'" *Id.* The court recognized conversion requires the plaintiff to prove theft of a property interest. *Id.* at 1463. Therefore, it does not take a large leap to conclude that such a property interest would fall within the scope of copyright protection.

160. *Metrano*, 2000 U.S. Dist. LEXIS 7662, at *14.

161. *Id.* at *15.

162. *Id.*; see *Worth v. Universal Pictures, Inc.*, 5 F. Supp. 2d 816 (C.D. Cal. 1997) (holding the Copyright Act preempts breach of implied contract claims). *But cf.* *Desny v. Wilder*, 299

“defendant breached the implied contract when it used plaintiff’s ideas for ‘Beyond Belief’ in its production and broadcast of ‘Guinness World Records: Primetime.’”¹⁶³ As will be discussed below, this is the standard allegation in any idea submission case.

Many courts have concluded the promise element makes a contract claim qualitatively different from a copyright action.¹⁶⁴ In *Metrano*, however, the court asserted that “a suit for breach of a promise not to use plaintiff’s ideas without compensation does not require proof of any element that is not required by the Copyright Act.”¹⁶⁵ The court did not explain why a plaintiff must prove the existence of a promise in a copyright action,¹⁶⁶ but cited *Endemol Entertainment B.V. v. Twentieth Television, Inc.*¹⁶⁷ as authority for this proposition.¹⁶⁸

In *Endemol*, the court struggled to explain why the promise does not make a contract claim qualitatively different from a copyright claim.¹⁶⁹ Its only explanation was that there must be a difference between breach of a written contract and breach of an implied-in-fact contract.¹⁷⁰ Presumably, breach of an implied-in-fact contract is a fiction that does not really require proof of a promise.¹⁷¹ The merit of the *Endemol* court’s distinction

P.2d 257 (Cal. 1956) (holding the Copyright Act does not preempt a breach of implied contract claim).

163. *Id.* at *17.

164. See discussion *infra* Part VI.

165. *Metrano*, 2000 U.S. Dist. LEXIS 7662, at *17.

166. *Id.* at *17–19. While the implied-in-fact contract claim was preempted, the court went on to hold the breach of confidence claim was not preempted. *Id.* at *20. The court recognized such a claim “is predicated on an understanding between parties that the information disclosed is confidential and that the recipient of such information has a duty not to disclose that information.” *Id.* at *19. According to the court, understanding confidentiality “is an extra element that takes a breach of confidence claim outside the scope of copyright protection.” *Id.* The defendant countered the confidentiality came from the same implicit agreement that gave rise to the implied-in-fact contract claim. *Id.* at *23–25. The court was unmoved, holding the required confidentiality made this claim qualitatively different from a copyright claim. *Metrano*, 2000 U.S. Dist. LEXIS 7662, at *20.

167. 48 U.S.P.Q. 2d (BNA) 1524 (C.D. Cal. 1998).

168. *Metrano*, 2000 U.S. Dist. LEXIS 7662, at *19.

169. See *Endemol*, 48 U.S.P.Q. 2d (BNA) at 1528.

170. *Id.*

171. See *id.* The court stated:

Plaintiff argues that cases construing breach of implied-in-fact contract claims have expressly held that contract rights are not equivalent rights to those protected by copyright laws because they involve an agreement between the parties rather than a “right against the world.” There is support for the notion that rights protected in contracts may be different from those rights protected by copyright law. However, these cases involved *written* contracts that had specific promises that provided an “extra element” beyond copyright law protections.

Id. (citations omitted).

between written contracts and implied-in-fact contracts is questionable in light of California law, which requires proof of a promise for both forms of contract.

In *Canter v. West Publishing Co., Inc.*,¹⁷² the court rejected the reasoning in *Endemol* and in a similar case, *Worth v. Universal Pictures, Inc.*¹⁷³ The *Canter* court stated, “[a] cause of action for breach of a contract implied-in-fact . . . requires proof of conduct that evinces an actual agreement of the parties. This extra element of the parties’ agreement defeats Copyright Act preemption.”¹⁷⁴

Both *Worth* and *Endemol* were based on the following erroneous statement of the law: “[A] breach of an implied contract is a species of quasi contract and is to be deemed an ‘equivalent right’ for determining preemption . . . This type of contract is preempted insofar as it relates to the copyrighted material.”¹⁷⁵ California law is absolutely clear that quasi-contract and implied-in-fact contract are two entirely different species.¹⁷⁶

An implied-in-fact contract is a form of express contract requiring a promise and an agreement between the parties.¹⁷⁷ On the other hand, quasi-contract is a legal fiction that is the equivalent of a property right, long held as preempted by the Copyright Act.¹⁷⁸ As a result of this distinction, the *Canter* court expressly rejected the decision in *Worth* stating, “[t]his court declines to follow *Worth v. Universal Pictures, Inc.* It appears the court in *Worth* erroneously equated implied-in-fact contracts with quasi-contract.”¹⁷⁹

The *Endemol* court emphasized its ruling “is limited to the facts of this case.”¹⁸⁰ However, this has little meaning because virtually every implied-in-fact contract case will arise in similar circumstances. The court limited the reach of its decision fearing wiping out the *Desny*-type claim.¹⁸¹ It further explained *Desny* and *Rokos* stand for the proposition that the state law remedy for breach of contract is viable only when one does not have a

172. No. C-9-620440, 1999 U.S. Dist. LEXIS 3815 (N.D. Cal. Jan. 6, 1999).

173. 5 F. Supp. 2d 816 (C.D. Cal. 1997).

174. *Canter*, 1999 U.S. Dist. LEXIS 3815, at *17. The court in *Worth* mistakenly equated quasi-contracts with implied-in-fact contracts, leading to the arguably incorrect statement that implied-in-fact contracts are a mere species of quasi-contract.

175. *Worth*, 5 F. Supp. 2d at 822 (citations omitted).

176. B.E. WITKIN, SUMMARY OF CALIFORNIA LAW § 12 (9th ed. 2000).

177. *Id.*

178. *Canter*, 1999 U.S. Dist. LEXIS 3815, at *17.

179. *Id.*

180. 48 U.S.P.Q. 2d (BNA) at 1527.

181. *Id.*

sufficient “property interest” to merit copyright protection.¹⁸² Yet, this explanation is problematic because in both *Desny* and *Rokos*, and in other California cases, the “ideas” were contained within copyrightable material submitted to the various defendants.¹⁸³

The *Endemol* court acknowledged “the purpose of this state cause of action is not to provide a remedy in addition to the federal one, but rather to protect those plaintiffs whose interest in literary property is not concrete enough to be protectable under the laws of [copyright infringement].”¹⁸⁴ Again, both *Desny* and *Rokos* do not indicate the literary properties were not sufficiently concrete.¹⁸⁵ The plaintiffs in *Desny* and *Rokos* sued on a state law theory because the idea, rather than the expression of the idea, was allegedly misused.¹⁸⁶

VI. THE CASE AGAINST COPYRIGHT PREEMPTION OF IDEA SUBMISSION CLAIMS

Depending on the forum, the case against copyright preemption has been made under either prong of the *Del Madera* test.¹⁸⁷ As one court recently recognized, a majority of forums hold contract-based claims are not preempted because one prong of the test cannot be met:¹⁸⁸

[S]ome cases . . . appear to stand for the broad proposition that it is the promise inherent in contract arrangements that it is the “extra element” that saves contract claims from preemption. Under this theory, “a breach of contract claim is not preempted” . . . because, unlike claims for copyright infringement, claims based on a contract will involve the extra element of a promise by one party to another Other holdings are more narrow [determining] . . . that the contract right in question was not equivalent to any of the exclusive copyright rights.¹⁸⁹

182. *Id.*

183. See discussion *supra* Parts II & IV.

184. *Endemol*, 48 U.S.P.Q. 2d (BNA) at 1527.

185. *Id.*

186. See discussion *supra* Parts II & IV.

187. See discussion *supra* Part IV.

188. *Lennon v. Seaman*, 63 F. Supp. 2d 428 (S.D.N.Y. 1999).

189. *Id.* at 437–38 (citations omitted); see also *Architectronics, Inc. v. Control Sys., Inc.*, 935 F. Supp. 425, 438–41 (S.D.N.Y. 1996) (stating a promise in a contract case is an extra element that prevents breach of contract actions from copyright preemption); *National Car Rental Sys., Inc. v. Computer Assocs. Int’l, Inc.*, 991 F.2d 426, 433 (8th Cir. 1993) (holding the contract right in question was not equivalent to any right granted under copyright).

In *Brown v. Mojo Records*,¹⁹⁰ plaintiffs were former members of a rock band known as “The Cherry Poppin’ Daddies.”¹⁹¹ The plaintiffs alleged they had an oral contract with the other band members in which they would share all revenue generated by songs written and performed.¹⁹² The defendant members of the band ultimately refused to share the revenue, and the plaintiffs sued.¹⁹³ The defendants argued the contract claim was preempted by the Copyright Act.¹⁹⁴

The court held contract rights are not preempted because they are not equivalent to the exclusive rights granted by the Copyright Act.¹⁹⁵ The court stated a contract claim has an “extra element” that makes it different from copyright infringement.¹⁹⁶ The extra element “consists of proof of the alleged contractual relationship, its terms, and the conduct that allegedly violated those terms.”¹⁹⁷ The court held state law, not the copyright statute, provides “guidance in analyzing the existence, terms, and breach of a contract and such claims should not be preempted by federal law.”¹⁹⁸

Similarly, Nimmer noted contract claims require proof of an “extra element” that should allow them to escape copyright preemption:

[A] breach of contract action (whether such contract involves a mere idea or a fully developed literary work) is not predicated upon a right that is “equivalent to any of [sic] the exclusive rights within the general scope of copyright” This [sic] for the reason that a contract right may not be claimed unless there exists an element in addition to the mere acts of reproduction, performance, distribution or display. The additional element is a promise (express or implied) upon the part of the defendant.¹⁹⁹

In *Dielsi v. Falk*,²⁰⁰ the plaintiff worked as a speech coach for the lead actor in the television series “Columbo.”²⁰¹ He wrote a script for a

190. No. CV-00-286-ST, 2000 U.S. Dist. LEXIS 9155 (D. Or. June 6, 2000).

191. *Id.* at *1.

192. *Id.* at *10.

193. *Id.* at *1.

194. *Id.* at *7.

195. *Id.* at *12.

196. *Brown v. Mojo Records*, No. CV-00-286-ST, 2000 U.S. Dist. LEXIS 9155, at *12.

197. *Id.*

198. *Id.* at *12–13.

199. 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 16.04[C], at 16-25 (2000) [hereinafter NIMMER & NIMMER] (quoting *Taquino v. Teledyne Monarch Rubber*, 893 F.2d 1488, 1501 (5th Cir. 1990)).

200. 916 F. Supp. 985 (C.D. Cal. 1996).

201. *Id.* at 987.

potential episode and submitted it to the show's producer.²⁰² The plaintiff alleged the script was later used as the basis for an episode for which he was neither credited nor compensated.²⁰³ He sued for copyright infringement, breach of implied-in-fact contract, breach of confidence, and conversion.²⁰⁴

The court held the conversion claim was preempted because it involved physical deprivation of property.²⁰⁵ However, the court found the claims for breach of confidence, fraud, and negligent misrepresentation were *not* preempted²⁰⁶ because those claims are "qualitatively different" from the rights sought to be protected by the Copyright Act in that they require proof of an "additional element."²⁰⁷ The plaintiff's claims were found viable even though the script was plainly copyrightable.²⁰⁸

The court in *Dielsi* relied in part on the Ninth Circuit's decision in *Valente-Kritzer Video v. Pinckney*.²⁰⁹ In *Valente-Kritzer*, the plaintiff's fraud claim was founded on an allegation that the defendant misrepresented its intent to perform a contract.²¹⁰ The Ninth Circuit held the fraud claim was not preempted by the Copyright Act because the plaintiff must prove the "additional element" of misrepresentation.²¹¹

In *Trenton v. Infinity Broadcasting Corp.*,²¹² the plaintiff, a radio talk show host, alleged he conceived and owned a format for a radio program.²¹³ According to the plaintiff, his format featured novel program techniques and presentation methods for a program he called "Loveline."²¹⁴ The station for whom the plaintiff worked began airing the program, which became a huge success.²¹⁵ Eventually, the relationship between the plaintiff and the defendant radio station soured.²¹⁶ The plaintiff was suspended several times for violating station policy.²¹⁷ During the

202. *Id.*

203. *Id.*

204. *Id.*

205. *Id.* at 990-92.

206. *Dielsi v. Falk*, 916 F. Supp., 985, 990-92 (C.D. Cal. 1996).

207. *Id.* at 991-92.

208. *Id.* at 992.

209. *Id.* at 992 & n.3.

210. *Valente-Kritzer Video v. Pinckney*, 881 F.2d at 776 (9th Cir. 1989).

211. *Id.*

212. 865 F. Supp. 1416 (C.D. Cal. 1994).

213. *Id.* at 1418.

214. *Id.*

215. *Id.* at 1420.

216. *Id.*

217. *Id.* at 1420-21.

plaintiff's final suspension, the defendant announced a new permanent host of the show.²¹⁸ The plaintiff sued on several state law theories, including breach of both express and implied contract.²¹⁹ Predictably, the defendant removed the case to federal court.²²⁰

Addressing the numerous state law claims, the court noted, "to survive preemption, the essence of a state law cause of action must derive from something beyond the alleged unauthorized use of a copyrighted work, and must protect rights qualitatively different from the assertion of copyright rights."²²¹ The court, citing *Nimmer*,²²² held the act of reproduction or display itself is not enough to constitute a violation of state law.²²³ The claim is preempted unless other elements are proven "instead of or in addition to" the acts of reproduction or display.²²⁴

The court also noted nine of the claims involved property rights.²²⁵ Consequently, the court held all of the property-based claims as preempted because they "merely assert[ed] a protectable copyright interest in the Loveline format and defendants' unauthorized use thereof."²²⁶ Thus, these claims do not qualitatively differ from a copyright claim.

The court addressed the plaintiff's twelve claims arising out of contract law.²²⁷ Specifically, the plaintiff alleged his employers expressly and impliedly agreed to compensate him for his ideas.²²⁸ The court held such contract-based claims, unlike property claims, were not preempted because "the contract-based causes of action do allege more than the unauthorized use of a copyrighted work."²²⁹ The court, discussing the breach of contract claim, noted the qualitative difference between breach of contract and copyright infringement actions.²³⁰ Thus, by not asserting a copyright claim, the plaintiff successfully brought his state law claim based on breach of contract alone.²³¹ In reaching this result, the *Trenton* court, in effect, adopted a rule that a plaintiff is the master of the complaint, and can

218. *Trenton v. Infinity Broad. Corp.*, 865 F. Supp. at 1421.

219. *Id.* at 1429.

220. *Id.* at 1418.

221. *Id.* at 1428.

222. 1 NIMMER & NIMMER, *supra* note 199, § 1.01[B][1], at 1-12 (2000).

223. *Trenton*, 865 F. Supp. at 1428.

224. *Id.*

225. *Id.*

226. *Id.*

227. *Id.* at 1429.

228. *Id.*

229. *Trenton*, 865 F. Supp. at 1429.

230. *Id.*

231. *Id.*

choose whether to sue for copyright infringement or for breach of contract to protect an idea.²³²

In *Berkla v. Corel Corp.*,²³³ the plaintiff sued for copyright infringement and on pendent state law theories, including breach of contract and breach of confidence.²³⁴ The court granted summary judgment in favor of the defendant on the copyright claim, but held the state law claims were not preempted.²³⁵ The court explained, “[p]rotection from breach of contract . . . is not equivalent to copyright protection because a contract claim requires an extra element . . . a promise by the defendant”²³⁶ The court noted the promise element makes breach of contract claims qualitatively different from copyright infringement claims which do not require a promise.²³⁷

In addition to the Ninth Circuit’s decision in *Valente-Kritzer*, at least five other federal circuit courts recognize that claims based on the relationship of the parties, such as breach of contract, are not preempted.²³⁸ For instance, in *ProCD, Inc. v. Zeidenberg*,²³⁹ the plaintiff sued to enforce a license agreement that allowed the defendant to use the plaintiff’s copyrightable material.²⁴⁰ The defendant contended the Copyright Act preempted the claim.²⁴¹ The controlling issue was whether rights created by contract were “equivalent to any of the exclusive rights within the general scope of copyright.”²⁴² The court answered as follows:

Three courts of appeals have answered “no.” The district court disagreed with these decisions, but we think them sound. Rights “equivalent to any of the exclusive rights within the general scope of copyright” are rights established *by law*—rights that restrict the options of persons who are strangers to the author A copyright is a right against the world. Contracts,

232. *See, e.g., id.*

233. 66 F. Supp. 2d 1129 (E.D. Cal. 1999).

234. *Id.* at 1150.

235. *Id.* at 1151.

236. *Id.*

237. *Id.* (citations omitted).

238. *See, e.g., ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447 (7th Cir. 1996); *National Car Rental Sys., Inc. v. Computer Assocs. Int’l.*, 991 F.2d 426 (8th Cir. 1992); *Computer Assocs. Int’l. v. Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992); *Taquino v. Teledyne Monarch Rubber*, 893 F.2d 1488 (5th Cir. 1990); *Acorn Structures, Inc. v. Swantz*, 846 F.2d 923 (4th Cir. 1988).

239. 86 F.3d 1447 (7th Cir. 1996).

240. *Id.* at 1450.

241. *Id.* at 1447.

242. *Id.* at 1454.

by contrast, generally affect only their parties; strangers may do as they please, so contracts do not create “exclusive rights.”²⁴³

The Seventh Circuit reversed the trial court decision to dismiss the claim on preemption grounds.²⁴⁴

Likewise, in *Computer Associates International, Inc. v. Altai, Inc.*,²⁴⁵ the Second Circuit Court of Appeals held the Copyright Act did not preempt claims for breach of confidence, breach of fiduciary duty, and theft of trade secrets.²⁴⁶ In remanding the action, the court explained, “[a] state law claim is not preempted if the ‘extra element’ changes the ‘nature of the action so that it is *qualitatively* different from a copyright infringement claim.”²⁴⁷ The court went on to state “many state law rights that can arise in connection with instances of copyright infringement satisfy the extra element test, and thus are not preempted”²⁴⁸

A recent decision, *Katz Dochtermann & Epstein, Inc. v. Home Box Office*,²⁴⁹ confirmed that this remains the rule in the Second Circuit.²⁵⁰ In *Katz*, the court held a claim for breach of implied-in-fact contract was not preempted because an “implied promise to pay for its idea is entirely separate and apart from any claim for copyright infringement involving the literary work.”²⁵¹

The trial courts, including those in the Central District of California, have not uniformly concluded federal law preempts implied-in-fact contract claims. For example, in *Miller v. Miramax Film Corp.*,²⁵² the court denied a motion to dismiss such a claim.²⁵³ In that case, the plaintiffs alleged that they orally presented ideas to the defendants, and then submitted a completed script.²⁵⁴ Defendants passed, but later produced the motion picture “Shakespeare In Love,” which won major awards for its

243. *Id.* (citations omitted).

244. *Id.* at 1455.

245. 982 F.2d 693 (2d Cir. 1992).

246. *Id.* at 720.

247. *Id.* at 716.

248. *Id.* at 717.

249. 50 U.S.P.Q. 2d (BNA) 1957, 1959 (S.D. Ill. 1999) (quoting *Computer Assocs. Int'l. v. Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992)).

250. *Id.* at 1959.

251. *Id.* at 1960.

252. No. CV 99-08526 (C.D. Cal. Nov. 24, 1999) (order granting in part and denying in part defendants' motion to dismiss).

253. *Id.* at 7.

254. *Id.* at 2.

original screenplay.²⁵⁵ The plaintiffs sued alternatively for copyright infringement and for breach of implied-in-fact contract.²⁵⁶

The court noted because the Copyright Act does not protect ideas, “it is arguable that unfixed ideas are outside the subject matter of copyright for purposes of preemption.”²⁵⁷ The court also acknowledged two of the Fourth Circuit’s conclusions in *Berge*:²⁵⁸ 1) “the shadow actually cast by the Act’s preemption is notably broader than the wing of its protection”²⁵⁹ and 2) the court did not need to decide the issue because the contract claim did not assert rights equivalent to those protected by copyright.²⁶⁰

On the latter issue, the court recognized the “contractual claim in this case raises a closer question, because it involves an alleged promise to refrain from using ideas without compensation.”²⁶¹ However, the deciding factor was the court’s recognition that contracts only regulate relations between the contracting parties.²⁶² Contracts do not create monopolies or “exclusive rights.” Thus, the “rights asserted by a contract claim are . . . not the exclusive rights protected by the Copyright Act.”²⁶³

In *Leaf v. Revelations Entertainment*, the court in the Central District of California found federal law does not preempt an implied-in-fact contract claim.²⁶⁴ In that case, a writer alleged he faxed his idea to a production entity in response to an advertisement in a trade magazine for new material.²⁶⁵ The producer called, expressed an interest, and requested written material.²⁶⁶ The writer sent a treatment that the producer ultimately rejected.²⁶⁷ Within months, however, the producer began production on a similar project.²⁶⁸ The defendant removed the case to federal court, and the plaintiff moved to remand.²⁶⁹

255. *Id.* at 1–2.

256. *Id.* at 2.

257. *Id.* at 6.

258. 104 F.3d 1453 (4th Cir. 1997).

259. *Id.* at 7 (quoting *Berge v. Bd. of Trs.*, 104 F.3d 1453, 1463 (4th Cir. 1997)).

260. *Id.* at 7.

261. *Id.* at 8.

262. *Id.* at 9.

263. *Id.*

264. No. CV 99-6505 (C.D. Cal. Jul. 30 1999) (order remanding case to Superior Court for lack of subject matter jurisdiction).

265. *Id.* at 3.

266. *Id.*

267. *Id.* at 4.

268. *Id.*

269. *Id.* at 4–5.

Despite the letter and the treatment, the court granted the motion to remand, concluding that, in these circumstances, the Copyright Act does not preempt a state law claim for breach of implied-in-fact contract.²⁷⁰

VII. THE IMPACT ON THE ENTERTAINMENT INDUSTRY IF CONTRACT CLAIMS ARE PREEMPTED

As previously discussed, each of the plaintiffs in *Desny*, *Weitzenkorn*, and *Stanley*, submitted ideas to the defendants in written material.²⁷¹ The same situation existed in two other cases discussed above, *Mann* and *Faris*.²⁷² In each of these cases, the screenplay, treatment, outline, or format could have been copyrighted by the author, although the facts of the cases do not indicate whether the plaintiff's works were in fact copyrighted.

There is no meaningful way to distinguish the facts of these cases from the facts of the cases discussed in Part II, where courts found copyright law preempts contract claims. Thus, the threat to the continued viability of the idea submission cause of action is imminent and clear.

In fact, it can be demonstrated that virtually every reported decision in California dealing with the protection of ideas on a contract theory could potentially be preempted if the cases were decided today. For example, in one of the earliest idea submission cases, *Yadkoe v. Fields*,²⁷³ the plaintiff wrote skits and comedy routines and submitted them to comedian/actor W.C. Fields for consideration.²⁷⁴ Fields used at least a portion of the material in his subsequent work.²⁷⁵ The jury found for the plaintiff and awarded damages based on the reasonable value of the ideas used.²⁷⁶ Because the author presented the ideas to Fields in written form, today, the plaintiff would have to sue for copyright infringement.

In *Chandler v. Roach*,²⁷⁷ the plaintiff, a professional writer, conceived an idea for a television program based on the activities of a public defender's office.²⁷⁸ His agent met with the defendant, Hal Roach, a well-known producer, and "gave Roach both an oral and written summary of

270. *Leaf v. Revelations Entm't*, No. CV 99-6505 (C.D. Cal. Jul. 30 1999) (order remanding case to Superior Court for lack of subject matter jurisdiction).

271. See discussion *supra* Parts I–II.

272. See *id.*

273. 151 P.2d 906 (Cal. Dist. Ct. App. 1944).

274. *Id.* at 907.

275. *Id.*

276. *Id.*

277. 319 P.2d 776 (Cal. Dist. Ct. App. 1957).

278. *Id.* at 778.

Chandler's idea."²⁷⁹ The defendant expressed considerable interest in the idea leading to a series of meetings in which Roach asked the plaintiff to write a script.²⁸⁰ The plaintiff submitted a script to the defendant, who eventually said he would not produce the series because "it was too good an idea."²⁸¹ The defendant thereafter produced a series of sixty-nine television episodes that appeared to be "along the lines suggested by Chandler."²⁸² Today, this case might be immediately removed to federal court, where it could be dismissed. However, in 1957, a Los Angeles Superior Court allowed *Chandler* to go to a jury.²⁸³

In *Donahue v. United Artists Corp.*,²⁸⁴ the plaintiff wrote a television format for a proposed series entitled "The Underwater Legion."²⁸⁵ The plaintiff sent twelve story outlines, one screenplay, and a proposed budget to the defendant production entity.²⁸⁶ The defendant passed on the project, but thereafter produced a successful television series entitled "Sea Hunt."²⁸⁷ At trial, the jury rendered a \$200,000 verdict for the plaintiff.²⁸⁸ Today, this case might not get past the pleading stage because the format, outlines, and script were all copyrightable. Thus, it is questionable whether one could sue based on the defendant's misuse of ideas contained in those written materials.

In *Fink v. Goodson-Todman Enterprises, Ltd.*,²⁸⁹ the plaintiff developed an idea for a television series and drafted a written "presentation."²⁹⁰ The presentation included a central theme, a detailed exposition, various portrayal techniques, and the plots for fifteen of thirty-nine weekly episodes.²⁹¹ The plaintiff also submitted a script of the initial episode and completed scripts for seven additional episodes.²⁹² The trial court dismissed the complaint, but the court of appeals reversed.²⁹³ Today,

279. *Id.*

280. *Id.*

281. *Id.*

282. *Id.*

283. 319 P.2d at 778.

284. 83 Cal. Rptr. 130 (Ct. App. 1969).

285. *Id.* at 133.

286. *Id.*

287. *Id.*

288. *Id.* at 136.

289. 88 Cal. Rptr. 679 (Ct. App. 1970).

290. *Id.* at 682.

291. *Id.*

292. *Id.*

293. *Id.* at 695.

given the fact that the plaintiff's ideas were submitted in written form, some courts would not allow the case to proceed.

VIII. CONCLUSION

There is profound disagreement at the trial court level on whether, and to what extent, the Copyright Act preempts contract claims seeking to protect the disclosure of creative ideas. Neither the Ninth Circuit Court of Appeals nor the United States Supreme Court has squarely addressed the issue. In fact, while a number of federal courts of appeals have generally held that contract claims are not preempted, none have directly addressed the issue in the context of a *Desny*-type claim. Specifically, there is no such decision involving a situation where a writer submits an idea for a film or television program, and the production entity rejects the submission but later produces a film using the writer's idea. The legislature has yet to clarify its intent in the face of this significant conflict between the courts.

The importance of the issue cannot be overstated. While other claims may protect the disclosure of an idea, those claims are even more limited than implied-in-fact contract claims under California law. Therefore, if implied-in-fact contract claims are not available, and copyright does not protect ideas, then a producer can, in most cases, virtually steal an idea leaving the writer without recourse.

The case in favor of preemption is somewhat suspect. To show a contract claim falls within the general subject matter of copyright requires courts to adopt the *Berge* view; namely, even though copyright cannot cover an idea, the scope of its subject matter is broader than the scope of its protection.²⁹⁴ This is a very liberal interpretation of the copyright statute and the legislative history. More troubling, however, is the argument that a contract claim is not qualitatively different from a copyright claim.²⁹⁵ Courts that have found them to be the same have simply misinterpreted and misapplied the law when equating implied-in-fact contracts with quasi-contracts. In fact, the law is absolutely clear that an implied-in-fact contract is a real contract with the same elements as a written or express oral contract.²⁹⁶ The only difference is the manner of proof. Thus, those courts that distinguish written contracts from implied-in-fact contracts are guilty of suspect reasoning in holding the latter is a species of quasi-contract.²⁹⁷

294. See discussion *supra* Part V.

295. See discussion *supra* Part V.

296. See discussion *supra* Part V.

297. See discussion *supra* Part V.

In a contract claim, whether the contract is written, oral, or implied-in-fact, the plaintiff must prove a promise, the terms of the contract, consideration, and so forth. It is illogical to conclude these are not “extra elements” that make such claims qualitatively different from copyright protection. Unlike a contract, with a copyright, the author enjoys the exclusive right of having a monopoly as against the world. Even though the act of breaching the contract and infringing the copyright can arise from the same incident, these causes of action are qualitatively different.

At the moment, the courts are literally awash with contract claims that end up in federal court, necessitating costly and time consuming remand motions and motions to dismiss. As such, it is imperative that the Ninth Circuit, the United States Supreme Court, and/or Congress remedy this conflict. Wiping out the *Desny*-type claim via federal preemption will effectively eliminate an author’s legitimate breach of contract claim, and result in the wholesale theft of an author’s ideas.