Free as the Air: Rethinking the Law of Story Ideas

Brian Devine
# Free as the Air: Rethinking the Law of Story Ideas

*by*

**BRIAN DEVINE**

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* The author currently resides in Brookline, MA.
I

Introduction

Upon its initial release, the plot was hailed as unique and imaginative. It was a sharp and insightful look at the pervasiveness of the modern media, demonstrating that society's fascination with voyeurism is quickly blurring the line between entertainment and reality. It was the poignant tale of a simple man, whose life—unknowingly to him—was being broadcast around the world as a television show.¹

The story begins with a flashback of the man as an infant, left without parents.² He is adopted by a large television network, which designs a 24-hour-a-day soap opera centered around the boy's life.³ He is placed in an enormous soundstage, the size of a city, filled with elaborate sets of homes and businesses.⁴ This world is populated entirely by professional actors—their sole job being to improvise scenes whenever they encounter the show's star.⁵ His wife, his best friend, neighbors, and co-workers, are all just playing the roles assigned to them.⁶ Stores exist only for his benefit. Thousands of cameras and countless hidden microphones document his every move.⁷ Because of the limited size of the soundstage, numerous efforts are made to restrict his movements to certain areas.⁸ The actors are in constant communication with each other and the show's producers, and at times even talk directly into the camera.⁹ And yet, our hero knows none of this.¹⁰ For years, he follows his daily routine without suspicion.¹¹ To him, this is real life.

Behind the scenes, manipulating everything that transpires in our hero's universe, is the show's producer.¹² He is cold-hearted and egotistical; he has no reservations about exerting full control over his

¹. 2nd Compl., Dunn v. Paramount Pictures (filed April 2, 1999)(S.D.N.Y.)
². Id.
³. Id.
⁴. Id.
⁵. Id.
⁶. Id.
⁷. Id.
⁸. Id.
⁹. Id.
¹⁰. Id.
¹¹. Id.
¹². Id.
In essence, the producer is quite literally playing God—he determines the story line, decides which characters should be written in or out of the show, and employs an intricate set of security measures to maintain the deception of his leading man. Nothing in his environment is left to chance. All of this, of course, adds up to incredible ratings. The show attracts millions of viewers daily, and becomes a pop culture phenomenon. The producer achieves great power, the network earns tons of money, and the unwitting star is propelled to extraordinary fame.

Our hero is next seen at age thirty. More and more, he has been dreaming of what lies outside of the area where his life has been confined. He has several encounters with people who have broken through the security measures hoping to reveal the truth to him about the show (they are part of a growing movement on the outside that lobbies for his freedom), though he still does not catch on. Then, slowly, disruptions in his daily routine start to arouse his suspicion. Things begin to go wrong. He turns to his best friend to discuss his concerns, and the producer realizes that a problem is developing.

Our hero is undergoing significant changes—his naiveté is replaced with confidence, and he is gradually becoming aware of the falseness of his world. As his anxiety escalates, he is accused of paranoia and his “marriage” becomes strained. His wife even leaves the show. He desperately seeks to escape, to leave behind the boundaries that have constrained him. He longs to see what lies beyond his small town. Some actors genuinely feel for his plight, and try hard to alert him to the truth; however, the producer fights to maintain control by excluding them from the set. But our hero persists. He struggles to
break free – and, with the audience rooting for him, he finally does. With that, television screens go blank, the message “Circumstances beyond our control” appears, and the show ends.

No, this is not the plot of The Truman Show. It is the story of Frank’s Life, a 1991 play scripted by unknown New York playwright Mark Dunn. Yet the similarities to the 1998 Jim Carrey film are undeniable. The basic concept is practically identical. So, when Dunn reluctantly ventured into a Manhattan theater to see The Truman Show, he brought a notebook with him to take notes. After watching the film, Dunn was quite upset with what he saw onscreen. “It makes me feel like nobody’s safe from being taken advantage of,” he later told a reporter. In fact, Dunn was so upset, he took his notebook and its list of similarities uptown, to meet with an attorney.

The result was Dunn v. Paramount Pictures: a federal lawsuit seeking over $300 million in damages. Named as defendants were Paramount Pictures, which released Truman, producer Scott Rudin, screenwriter Andrew Niccol, as well as Sony Theatre Management, Inc. and Cineplex Odeon Corp. (which had been exhibiting Truman in their theater chains). Dunn asserted six claims for relief: copyright infringement, breach of an implied-in-fact contract, unlawful interference with an existing advantageous relationship, breach of duty to hold in confidence, breach of the implied covenant of good faith and fair dealing, and finally, false designation of origin and unfair competition. The complaint listed 132 alleged similarities between Dunn’s Frank’s Life and Paramount’s The Truman Show.

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30. Id.
31. Id.
34. The foregoing synopsis accurately describes the basic story of both works. Only the message at the end – “Circumstances beyond our control” – serves to identify the plot as that of the play. The film did, however, contain a similar message (“Technical difficulties, please stand by”).
37. Id.
38. Id.
40. Id. at 1.
41. Id. at 3, 21-24.
42. Id. at 6-19. Several of these allegations were repetitive in nature. For instance:
Dunn was not the only person who noticed the parallels. Upon seeing a preview of the film, Susan Shapiro, a theater critic who reviewed *Frank's Life* during its 1992 run, assumed Dunn had sold his idea to

"The TV show is a soap opera centered on the life of Frank/Truman"; "Both Frank/Truman are involved in voyeuristic soap opera shows"; "The lead character (Frank/Truman) does not know the TV show is taking place"; "Frank/Truman are unaware that all important persons in their lives (including parents, wives, neighbors, and employers) are actors"; "Frank/Truman has no real relatives anywhere"; and "There are no blood relatives of Frank/Truman involved." *Id.*

However, even with the redundant allegations excluded, there were still an extremely high number of similarities alleged. They ranged from broad plot points to concrete details, and also focused on similarities among characters. Here are some examples: "The titles... carry double meanings. On the surface, both refer to the names of the protagonists. 'Frank' and 'Truman' also refer to the innocence and naivety inherent in the character. In the Play, Frank's best friend states that he is 'the only honest man [he] knows.' Truman is said to be a 'true man.'"

"Frank/Truman are the leading character in an ongoing TV show"; "Hidden cameras placed all over the sprawling set and unknown to Frank/Truman"; "The cameras are capturing Frank/Truman 24 hours per day"; "Frank/Truman taken at age 3/birth from orphanage/unwanted birth"; "Frank-Shelly/Truman-Meryl are childless"; "Frank/Truman often think, talk about or try to break free of the boundaries without success, until the end of the Play/Movie"; "The actors start acting only when Frank/Truman come into their area"; "An early scene in which Frank put together in a dream all of the persons in Frank's life assembled abreast, in straight lines, walking toward Frank as a military phalanx; this dream was copied in Truman when all of the persons in Truman's life appeared together, walking down the street abreast, in a straight line or lines, as a military phalanx"; "A specific volcanic island, within a group of such islands or archipelago, in the southern Pacific Ocean, with double-sounding name (Pago Pago/Fiji), is used as a remote place at the opposite side of the world from the Show location for persons (Frank/Truman and Corley-Shelly) to escape from the effects of the Show"; "Producers Christof/Pruett are similar, calling all the shots, self-centered, cold-hearted, don't care about well-being of Frank/Truman at all, just putting on a TV show and making money, non-redeemable character, generating money for network and power/status for himself"; "Actors were trying to break through the security measures instituted by the Producer and network to reach Frank/Truman and get them out of the show"; "Both Frank/Truman leave circumscribed area at end of Show"; "Some cast/crew are rooting for Frank/Truman to break free/survive"; "Actors can call in security/surveillance, non-actor employees of the corporation, to deal with actors who are deviating from role, or to deal with Frank/Truman's efforts to go into prohibited area"; "The lead character (Frank/Truman) is a male, 30 years old"; "Best friend was in college together with Frank/Truman"; "Both scenes have actors dropping hints about sister/Sylvia being temporarily insane due to lack of medication"; "Multiple actors are used to block Frank/Truman escape route, including putting up of barricades and blocking Frank/Truman from using certain streets"; "Both works have a flashback to events relating to a school football game in which Frank/Truman were sideline participants in the game"; "Frank/Truman question his wife about her claimed professional activities when the wife's explanation was questionable"; "Frank/Truman's wife turns to best friend for help when she has trouble with or worried about Frank/Truman"; "Frank/Truman is told that pills or other medication or mental instability are causing actors to say what they do, when trying to tell Frank/Truman that he is part of a television show"; and "Frank/Truman have no financial difficulties whatsoever, a matter which is regulated and ensured by the Producer and network, which ensures that the Show is different from the lives of most of the viewers of the Show." *Id.*
Paramount and even called to congratulate him. "I saw the trailer for the movie and turned to my husband and said, 'I saw this as a play.'" Dunn claimed that he came up with the idea for Frank's Life in March 1991, and finished a copyrighted draft of the script by that November. The play was subsequently performed for three months during the summer of 1992 in lower Manhattan, where it even enjoyed modest critical acclaim. During the play's run, Dunn submitted the script to Paramount and Fox in hopes of making it into a film. Personnel at both studios reviewed the script, but it was rejected in August 1992. Dunn's agent invited Rudin to come see a performance of Frank's Life, though it was unclear whether he or any of his staff actually attended. The complaint then alleges that Rudin and Niccol obtained a copy of the play some time between November 1991 and April 1992, and that they also had access to it because of its New York performances and the submission to Paramount. After reading his script, Dunn charged, Niccol wrote the screenplay that would become The Truman Show.

In his defense, Andrew Niccol maintained that Truman was his own work. He even produced documents that supposedly proved he had pitched the concept – then titled The Malcolm Show – to his former manager in May 1991, well before Dunn's play had been performed or even finished. The treatment read:

Malcolm is the star of a 24-hour continuous soap opera in the future but doesn't know it. He has been filmed by hidden cameras every second of his life... "The Malcolm Show" has been running since his birth. The show has 16 producers, all his family and friends are actors... all the strangers that he sees in the street are extras.

Another letter from Niccol, in late June or early July – around
the time when Dunn submitted his script to Paramount – described the screenplay as "partially completed." Fifteen months later, in October 1993, Paramount Pictures purchased the rights to Niccol’s *The Truman Show* for $1.5 million, with Scott Rudin attached to produce.

Despite the existence of these documents, Dunn’s attorney Carl Person was confident about his client’s chances for victory: “Hollywood steals ideas all over the place because it is permitted to, up to a point . . . [but] this is the best copyright infringement case I’ve ever seen.” However, this was not just a copyright case – as Person said, this case was about *stealing ideas*.

II

Idea Submissions in Hollywood

Not only did Dunn sue Niccol for writing a script strikingly similar to his own, but he also accused him of stealing the underlying concept for the story. This claim was entirely independent of his claim for copyright infringement – the theft of ideas is a separate legal universe. The two areas of law are closely related, but each is distinct from the other. Each is governed by its own set of rules and doctrines. Yet, while many are familiar with the basic principles of copyright, few understand the complexities associated with so-called “idea submission claims.”

Hollywood is no stranger to this kind of litigation. In fact, neither are Scott Rudin and Paramount. First, in 1990, the studio lost the famous idea submission case of *Buchwald v. Paramount Pictures*. Humorist Art Buchwald had written a treatment called *King for a Day*, the story of a despotic African sovereign who travels to the United States. He ends up stranded in a Washington D.C. ghetto, penniless and forced to work as a waiter. But, he adapts to his new surroundings, and eventually falls in love with a poor woman who befriended him. Buchwald entered into a contract with Paramount,

55. *Id.*
56. *Id.*
57. Barrs, supra n. 36.
58. Dunn, Compl.
60. *Id.* at *10.
61. *Id.*
62. *Id.*
granting the studio an option to make his treatment into a film, which was supposed to star Eddie Murphy. However, after the project spent some time in development, Paramount cancelled the production abruptly. Thus, Buchwald tried to sell his story to Warner Brothers instead. But the Warner Brothers' film never got off the ground either. A film entitled *Coming to America* – produced by Paramount and starring Eddie Murphy – made it to theaters first. Much to Buchwald's surprise, *Coming to America* shared the same basic storyline as *King for a Day*. It was the comedic story of an African prince, who came to the United States in search of a bride. He too winds up losing his trappings of royalty, living in a ghetto, and working in a fast food restaurant, only to find true love. Buchwald sued Paramount for breaching their original contract with him. He argued that they used his idea without compensating him for it, and prevailed on that claim.

A few years later, in 1996, Scott Rudin was facing an idea submission claim of his own. At the center of the dispute was the origin of the popular film *Philadelphia*, starring Tom Hanks. The plaintiffs were relatives of Geoffrey Bowers, a Philadelphia attorney who had died of AIDS a few years earlier. He was fired after his law firm learned of his illness, and he successfully sued for discrimination. His poignant testimony was the trial's emotional climax, though he passed away shortly afterwards. This was precisely the plot of *Philadelphia*. Bowers lived with his Hispanic lover and was passionate about opera; the Tom Hanks character likewise had a

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63. *Id.* at *1.
64. *Id.* at *5.
65. *Id.* at *6.
68. *Id.* at *11.
69. *Id.*
70. *Id.*
71. *Id.* at *6.
72. *Id.* at *15. The specific legal issues involved in an idea submission claim will be taken up in Part III, infra.
76. See Evans, supra n. 73.
77. *Philadelphia* (TriStar Pictures 1993), supra n. 73.
Hispanic companion and a love for opera. Furthermore, the film also contained specific scenes and dialogue that the Bowers family said actually happened. Essentially, the plaintiffs were contending that Rudin learned about the details of Bowers' real-life drama in a meeting with them and then used it as the basis for the film. They argued that a contract was formed regarding the rights to the story, and hence they were owed compensation. However, the case was never resolved in court. The parties reached a settlement a few days after the start of trial.

As the Buchwald and Bowers cases demonstrate, idea submission claims are quite frequent. This should not come as a surprise. For years, critics have lamented that there are no original ideas in Hollywood. In fact, one writer suggested that there are only thirty-six fundamental dramatic situations. A journalism professor at Wake Forest University went even further, claiming there were only seventeen basic plots; the premise of every film or television show either fits one of these or is derived from a combination of them. Thus, if there are so few ideas to go around, it seems inevitable that plenty of lawsuits will be filed claiming them to be stolen.

Before analyzing the law in this area, it is necessary to understand the general process of how story ideas are received by producers. Occasionally a producer will come up with an idea on his own, but this is rare compared to the other methods. Primarily, there are two paths that an idea can travel on its way towards reaching a studio – it could be submitted by an agent, or pitched directly by the writer himself. Some writers might be able to gain direct access to producers, where they would tell their story in hopes of sparking the

78. See supra n. 36.
79. See Evans, supra n. 73; see also Greg Evans and Adam Sandler, TriStar settles 'Philadelphia' suit, Variety 14 (Mar. 25, 1996).
80. See Evans, supra n. 73.
81. Id.
82. See Adams & Sandler, supra n. 79.
87. Id.
producer's interest. Most writers, however, do not have this opportunity. Producers are busy people, and so will only grant this kind of direct access to well-established talent. Far and away, the most prevalent form of idea submissions is through the use of agents.

The most typical format for an idea submission is a treatment, a brief synopsis or outline of the story. There are practical reasons for the use of this format. First, producers simply do not have the time to read many full-length scripts on a regular basis (an average screenplay is usually around 120 pages long). It is much more efficient for them to see short summaries of story ideas, and then choose to review only those scripts that seem most interesting. Second, the use of treatments also benefits the writers. Since relatively few of their ideas will ultimately be produced, it would be impractical for writers to complete full scripts for every idea they think up. Rather, it might be easier for them to develop a fairly detailed treatment or synopsis, which their agent could use to gauge producers' reactions to the idea. If the response is favorable, they could then draft or finish their script. If the response is negative, the writer will at least have conserved a great deal of time and energy— which could then be spent on developing another idea.

It is important to note one final characteristic of the idea submission framework in Hollywood. Studios and networks are constantly inundated with unsolicited idea submissions, sent in by countless aspiring writers around the country. In order to protect themselves from lawsuits like those described above, practically every studio and network refuses to accept unsolicited ideas unless they are accompanied by a release. Most courts have held these releases to be enforceable. Therefore, if a writer sends in his idea directly instead of through an agent, he must waive all of his rights to the material.

88. Id.
89. Id.
90. Id.
92. See generally Chi-Li Wong & Kenneth J. Atchity, Writing Treatments That Sell (Henry Holt, 1997).
94. For further discussion of the importance of this, see infra Part IV(A).
95. See Lionel S. Sobel, The Law of Ideas, Revisited, 1 UCLA Ent. L. Rev. 9, 91 n. 336 (citing Robert Kosberg, with Mim Eichler, How to Sell Your Idea to Hollywood 175 (Harper Perennial 1991) (“Any one-line idea submitted without a release will not be read in Hollywood. Period.”)).
96. See e.g. Burten v. Milton Bradley Co., 763 F.2d 461, 467 (1st Cir. 1985).
before the producer will even read it. If he does not sign a release, his submission will most likely be returned to him unopened.\textsuperscript{97} This only reinforces the notion that agents play a crucial role in the industry, as the intermediary between writer and producer.

\section*{III

Current Idea Submission Law}

With this general background on how ideas are submitted in Hollywood, one can explore the many issues of law and policy that idea submission claims present. First, it is important to understand that the law concerning idea submission claims is completely separate and distinct from copyright law.\textsuperscript{98} Copyright is entirely governed by federal law, while any protection afforded to ideas must be found in state law.\textsuperscript{99} Copyright law is statutory; idea submission claims have been created by judges, not legislatures.\textsuperscript{100} The reason for this separate body of law is simple – idea submission claims developed because copyright does not protect ideas.\textsuperscript{101} Section 102 of the Copyright Act of 1976 defines the scope of copyright as extending only to “original works of authorship fixed in any tangible medium of expression,” and explicitly states that “[I]n no case does copyright . . . extend to any idea . . . regardless of the form in which it is described, explained, illustrated, or embodied in such work.”\textsuperscript{102} Copyright does not protect abstract story ideas, but only concrete expressions of those ideas.\textsuperscript{103} This presents a problem for many writers, who submit their ideas to producers in the form of script treatments and story outlines, which most often do not qualify for copyright under section 102.\textsuperscript{104} Therefore, since it would be unwise for the law to deny

\begin{itemize}
\item \textsuperscript{97} See Whitfield v. Lear, 751 F.2d 90, 93 (2d Cir. 1984) (“[T]he custom in the television industry is that a studio or producer not desiring any outside submissions states so explicitly and, when a studio or producer is not interested in reviewing a particular script, the script is returned unopened.”).
\item \textsuperscript{98} Copyright claims in the United States are enforced under The Copyright Act of 1976. 17 U.S.C. §§ 101-1332 (2001) [hereinafter The Copyright Act].
\item \textsuperscript{99} Id.
\item \textsuperscript{100} Compare e.g. 17 U.S.C. § 102 (1996) with Desny v. Wilder, 46 Cal. 2d 715, 299 P.2d 257 (1956).
\item \textsuperscript{101} For an insightful overview of the history of the law of ideas, see Sobel, supra n. 95, at 14.
\item \textsuperscript{102} See 17 U.S.C. §102.
\item \textsuperscript{104} See Copyright Office, Library of Congress, Circular 47e, Radio and Television Programs (1973) (“To be acceptable for copyright registration in unpublished form, a script must be more than an outline or synopsis. It should be ready for presentation or performance so that a program could actually be produced from the script deposited.”).
\end{itemize}
protection of their creative efforts altogether,\(^{105}\) it became necessary
to develop a new legal mechanism by which to safeguard ideas.

One attempt to create such a mechanism was to classify ideas as
property. California Civil Code section 980 initially provided that the
author of any “product of the mind” retained “exclusive ownership
therein.”\(^{106}\) By giving ideas the status of property, the California
statute conferred upon authors a level of protection greater than that
of federal copyright, including the right to exclude others, regardless
of whether or not the idea was fixed in expression.\(^{107}\) However, section
980 was specifically amended in 1947 to eliminate property rights in
abstract ideas.\(^{108}\) The California courts made it clear that “ideas are
free as the air,”\(^{109}\) and by their very nature are not entities that can be
owned and possessed to the exclusion of all others.\(^{110}\) Thus, property
law no longer plays a role in idea protection in California.

Under New York law, however, claims for misappropriation of
ideas based on a property theory are still permitted.\(^{111}\) As long as an
idea is “novel” and “concrete,”\(^{112}\) then it is “protectible as property.”\(^{113}\)
There must also be a certain “legal relationship” (usually a fiduciary
relation or an implied-in-law contractual duty based on unjust
enrichment) existing between the alleged misappropriator and the
writer.\(^{114}\) If a studio or network uses a writer’s story idea, and the

105. See infra Part IV(A).
107. See Sobel, supra n. 95, at 17; see also Golding v. R.K.O. Pictures, Inc., 35 Cal. 2d
108. See Sobel, supra n. 95, at 17-18.
109. See Desny, 46 Cal. 2d at 731 (citing International News Serv. v. Associated Press,
248 U.S. 215, 250 (1918) (Brandeis, J., dissenting)).
110. Id. at 732 (“[I]t is clear that California does not now accord individual property
type protection to abstract ideas.”).
111. See e.g. Adsani v. Miller, 1996 WL 194326 (S.D.N.Y. Apr. 22, 1996); Oasis Music
1207 (11th Cir. 1982) (applying NY law); Werlin v. Reader’s Digest Ass’n, Inc., 528 F.
112. E.g. Sellers, 668 F.2d at 1210. The novelty requirement is different for a
misappropriation claim than it is for a contract claim – this requirement will be discussed
in further detail in Part III(B), infra.
113. Murray v. National Broad. Co., 844 F.2d 988, 993 (2d Cir. 1988); see also Downey
(1972).
In order for an idea to be susceptible to a claim of misappropriation, two
essential elements must be established: the requisite legal relationship must
exist between the parties, and the idea must be novel and concrete. The
legal relationship between the plaintiff and defendant may be either a
writer can prove these elements, then he may successfully bring a misappropriation suit. This is potentially a powerful remedy against intellectual theft. However, its practical effectiveness is somewhat limited. First, the novelty and concreteness requirements imposed by the New York courts may be difficult obstacles to overcome. Also, if the idea is too concrete, as will be discussed later, the state law claim may be preempted by federal copyright law. Furthermore, even if the plaintiff can show his idea to be novel and the defendant's story appears similar, the case will be dismissed if the defendant can demonstrate that his story was the result of independent creation. Hence, despite being a legitimate cause of action in New York, misappropriation claims are not the primary means of protecting ideas.

Instead, the most significant legal protection of abstract ideas is achieved by contract. In many instances, if a writer submits a treatment or outline that is ineligible for copyright, a breach of contract lawsuit may be his only option. Even if the idea cannot be protected by copyright or property law, freedom of contract permits these types of claims:

The producer and writer should be free to make any contract they desire to make with reference to the buying of ideas of the writer; the fact that the producer may later determine, with a little thinking, that he could have had the same ideas and could thereby have saved considerable

fiduciary relationship, or based on an express contract, an implied-in-fact contract, or a quasi-contract.

Since express and implied-in-fact contract claims are usually brought separately from a misappropriation claim, the "requisite legal relationship" under the property theory is typically limited to fiduciary relations and quasi-contract. See generally Chandler v. Roach, 156 Cal. App. 2d 435, 440 (1957); Desney v. Wilder, 46 Cal. 2d 715 (1956).


117. See generally Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 1.01(B) (1993). Federal preemption of state law claims regarding ideas will be discussed in depth in Part III-D, infra, at 54.

118. See AEB & Assoc. Design Group, Inc., 853 F. Supp. at 734 ("Even where a plaintiff's concept is novel and original, recovery will be denied where it is established that the party alleged to have misappropriated another's concept, arrived on its own initiative or by wholly independent means at a concept similar to that devised by the party seeking recovery for misappropriation").
money for himself, is no defense against the claim of the writer. This is so even though the material to be purchased is abstract and unprotected material.119

As with all contract cases, what lies at the heart of the claim is a broken promise. Essentially, the writer alleges that a producer expressly or impliedly agreed to compensate him if his story idea was used. When a subsequent film or television program emerges that is eerily similar to the writer's idea, he goes to court seeking the payment owed to him under the contract. To succeed, a plaintiff must prove all of the familiar elements – mutual assent, consideration, and breach.120 Each of these must now be explored, to better understand the issues they present within the unique context of idea submission claims. Finally, the relationship between the law of ideas and copyright must be examined, to discover when (if at all) it is appropriate for state law contract claims to be preempted by federal copyright law.

A. Mutual Assent

Courts have recognized both express and implied-in-fact contracts for story ideas. Mutual assent, or a “meeting of the minds,” is required for both types.121 That is, both parties must manifest an intent to be bound122 – the writer promises to deliver his idea, and the producer promises to compensate the writer if the idea is used. The difference between express and implied-in-fact contracts lies in the manner of their formation. To form an express contract, the agreement must be made in words, either orally or in writing.123 In idea submission cases, an express contract (especially one in writing) would clearly afford maximum protection to the writer, since it would be relatively easy to prove mutual assent. However, as one might guess, producers in Hollywood are reluctant to enter into express contracts. Except in some situations concerning established writers,124 it would be exceedingly rare for a studio executive to explicitly promise to pay for a story idea.

The existence of an implied-in-fact contract, on the other hand, is

119. See Chandler, 156 Cal. App. 2d at 442.
120. See Nadel, 208 F.3d at 376 n. 5.
122. See Restatement (Second) of Contracts, § 24 (1981).
123. See Sobel, supra n. 95, at 34 (citing Treadwell v. Nickel, 194 Cal. 243, 260 (1924)); see also supra n. 59.
124. See e.g. supra n. 59. The more common writer, such as Mark Dunn, would have a difficult time obtaining an express contract for a story idea.
inferred from the parties’ conduct rather than their words. The test for the formation of an implied-in-fact contract for a story idea was set forth in the landmark decision of Desny v. Wilder. Victor Desny had written a plot for a movie, and wanted to pitch it to producer Billy Wilder at Paramount Pictures. After reducing the story to synopsis form at the direction of Wilder’s secretary, Desny called back and read his synopsis over the phone. He made clear that he “wanted to sell it,” and so Wilder could only use the story if he was paid “reasonable value for it.” The secretary assured him that if his idea was used, “naturally we will pay you for it.” When the film Ace in the Hole was later released, it closely resembled Desny’s idea. Demanding the compensation they allegedly agreed to, Desny then sued Wilder and Paramount for breach of contract.

In ruling for Desny, the California Supreme Court confirmed that story ideas may properly be the subject of contract, either express or implied. In the absence of an express agreement, the Court provided a two-prong test to determine whether or not a valid implied-in-fact contract was indeed created. First, the writer must clearly condition his disclosure of the idea upon an obligation to pay for it if used. Second, the producer must know the condition before the idea, and then voluntarily accept the disclosure of the idea, under the writer’s previous condition. Thus, formation of an implied-in-fact contract requires that disclosure of the idea be contingent upon a promise to pay. But, the Court emphasized that the producer must

125. See e.g. Chandler, 156 Cal. App. 2d at 440; Cal. Civ. Code § 1621 (West 1982); see also Corbin on Contracts § 1.19 (1981).
126. 46 Cal. 2d 715 (1956).
127. Id. at 726.
128. Id.
129. Id. at 727.
130. Id.
131. Id.
132. Id. at 728.
133. Id. at 734.
134. Id. at 738-739.
135. Id. at 739.
136. Id. (“If the idea purveyor has clearly conditioned his offer to convey the idea upon an obligation to pay for it if it is used by the offeree and the offeree, knowing the condition before he knows the idea, voluntarily accepts its disclosure [necessarily on the specified basis] and finds it valuable and uses it, the law will . . . imply a promise to compensate. Such 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 disclosure of the idea to him and he must voluntarily accept the disclosure, knowing the conditions on which it is tendered.”).
137. Id.
promise to pay – simply using a submitted idea does not alone create a contractual obligation to compensate. Rather, the producer manifests his intent to be bound by implicitly accepting the writer’s condition:

Unless the offeree has opportunity to reject he cannot be said to accept. The idea man who blurts out his idea without having first made his bargain has no one but himself to blame for the loss of his bargaining power. The law will not in any event, from demands stated subsequent to the unconditioned disclosure of an abstract idea, 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.  

The Desny test has been used in countless idea submission cases since its adoption, and remains in effect today.

B. Consideration

Besides mutual assent, a contract must also be supported by consideration in order to be enforceable. This poses a potential problem in the context of contracts in story ideas. Because ideas are “free as the air,” and are generally not considered “property,” some courts initially argued that the idea itself could not serve as valid consideration. Since plaintiffs were not furnishing property, the defendants’ promises to pay were deemed unenforceable. Thus, courts needed to find another source of consideration in the transaction. This search eventually led to a significant difference between New York and California law. In New York, courts held that an idea must be “novel” to be protectable by contract; in California, though, no such novelty was required. Only recently has this gap between the two states been narrowed.

In Chandler v. Roach, a California appellate court held that even

138. Id.
139. Id.
141. See generally Corbin on Contracts § 5.1.
142. See Nimmer on Copyright § 16.04[A].
143. Id.
144. Hudson Hotels Corp. v. Choice Hotels Int'l., 995 F.2d 1173, 1178 (2d Cir. 1993) ("New York law dictates that an idea . . . must demonstrate novelty . . . to be protectible").
though the idea could not be adequate consideration, the disclosure of the idea could:

Even though an idea is not property subject to exclusive ownership, its disclosure may be of substantial benefit to the person to whom it is disclosed. That disclosure may therefore be consideration for a promise to pay.\textsuperscript{145}

The rationale was that the disclosure must be valuable to the producer, if it induces him to promise compensation in return.\textsuperscript{146} Thus, since this provided consideration, the Chandler court felt it was unnecessary to require that the idea in question be novel.\textsuperscript{147} The parties could self-impose a novelty requirement in an express contract if they wish, but California courts have refused to do so judicially in the case of implied-in-fact contracts.

New York law, however, developed quite differently. As to express contracts, at least, both states have always agreed that no novelty is necessary unless the parties require it.\textsuperscript{148} But in the case of implied-in-fact contracts, New York courts have consistently held that an idea must be novel to qualify for legal protection.\textsuperscript{149} Since New York law grants property rights in ideas, the ideas themselves were able to serve as consideration for such contracts.\textsuperscript{150} But, the property rights were dependent on the idea being novel and original – hence, a lack of novelty was equivalent to a lack of consideration.\textsuperscript{151} The Second Circuit’s decision in Murray v. National Broadcasting Co. stressed that “the central issue is the uniqueness of the creation”.\textsuperscript{152}

\begin{footnotes}
\item[145] Chandler, 156 Cal. App. 2d at 443 (citing Stanley, 35 Cal. 2d at 674 (Traynor, J., dissenting).
\item[146] Chandler, 156 Cal. App. 2d at 441.
\item[147] See Chandler, 156 Cal. App. 2d at 443 (“We see no necessity to add the elements of novelty and concreteness to implied-in-fact contracts with reference to authors. Their status should be identically the same as that of any other person in any other implied-in-fact contract situation . . . The courts should permit the parties to contract with each other as they see fit and should not arbitrarily inject into the contract the requirements that the idea be novel and concrete. If the parties have so agreed, that presents a different situation and becomes a question of fact for the jury to decide.”).
\item[148] See Sobel, supra n. 95, at 56; see also Stanley, 35 Cal. 2d. at 674-675 (Traynor, J., dissenting); Apfel, 81 N.Y.2d at 473.
\item[149] See Hudson Hotels Corp., 995 F.2d at 1178; Downey, 31 N.Y.2d at 61 (“An idea may be a property right. But, when one submits an idea to another, no promise to pay for its use may be implied, and no asserted agreement enforced, if the elements of novelty and originality are absent, since the property right in an idea is based upon these two elements.”).
\item[150] Hudson Hotels Corp., 995 F.2d at 1178.
\item[151] See id. at 1178; see also Downey, 31 N.Y.2d at 61.
\item[152] 844 F.2d at 993-95.
\end{footnotes}
Ideas that reflect “genuine novelty and invention” are fully protected against unauthorized use. But those ideas that are not novel “are in the public domain and may freely be used by anyone with impunity.” Since such non-novel ideas are not protectible as property, they cannot be stolen . . . . special protection is afforded only to truly innovative ideas while allowing free use of ideas that are “merely clever or useful adaptations of existing knowledge.”

Murray had submitted an idea to NBC for a wholesome family sitcom, with a twist. His Father’s Day was similar to programs like Father Knows Best and The Dick Van Dyke Show, except all of the actors would be African-American. Four years later, Bill Cosby scored a smash hit with The Cosby Show, a wholesome family sitcom with an entirely African-American cast. Murray sued NBC for stealing his idea, but the court granted summary judgment in favor of NBC because the concept was unoriginal: “the mere idea for a situation comedy about a nonstereotypical black family . . . is not novel and thus may be used with impunity.” It was clear that New York and California law had grown far apart.

However, the recent Second Circuit case of Nadel v. Play-by-Play Toys & Novelties, Inc. brought them much closer together. Nadel was a toy inventor, who had developed a prototype for a plush toy monkey, which sat upright, emitted sound, and spun when placed on a flat surface. He showed the prototype to an executive from Play-by-Play, and there was allegedly an implied agreement that Nadel would be compensated if his idea was used. At a toy fair the following year, Play-by-Play introduced “Tornado Taz,” a plush toy that sits upright, emits sound, and spins on flat surfaces. Nadel sued, but the court granted summary judgment for Play-by-Play because the idea was not novel.

The Second Circuit, however, vacated the dismissal of the contract claim, holding that the novelty requirement varies depending

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154. Id. at 990.
155. Id. at 989.
156. Id. at 990.
157. Id. at 995.
158. 208 F.3d 368 (2nd Cir. 2000).
159. Id. at 372 (demonstrating that the same law governs product idea submissions as story idea submissions).
160. Id.
161. Id. at 373.
on the theory asserted.\textsuperscript{162} For a misappropriation of property claim, generally, the idea must be novel and original.\textsuperscript{163} This is because "unoriginal, known ideas have no value as property and the law does not protect against the use of that which is free an available to all."\textsuperscript{164} For an implied-in-fact contract claim, however, the idea need only be novel to the recipient of the idea.\textsuperscript{165} As long as the idea is not already known to the recipient, then it is valuable enough to serve as sufficient consideration to support the contract – it is not necessary for the idea to be novel or original.\textsuperscript{166} This abrogated Murray, and considerably narrowed the gap between New York and California law. But, Nadel did not eliminate the gap completely. First, plaintiffs still must demonstrate novelty to the recipient as an element of their claim.\textsuperscript{167} It may be a lesser requirement, but it is a requirement nonetheless. Second, the court maintained that some ideas may be so unoriginal and non-novel that they are imputed to be "known to every person," including the recipient, and thus would not satisfy even Nadel's reduced novelty requirement.\textsuperscript{168} Therefore, although Nadel represents a significant change in New York law, the potential breadth of this exception leaves the precise scope of the change as yet undetermined.\textsuperscript{169}

C. Breach

The final element of an idea submission claim is breach.\textsuperscript{170} Even if a writer can prove a contract was formed, and is supported by consideration, he must still show the contract was ultimately

\textsuperscript{162} Id.
\textsuperscript{163} Id. at 375.
\textsuperscript{164} Id. at 380.
\textsuperscript{165} Id. at 374 (interpreting Apfel, 81 N.Y.2d 470, to reach these conclusions).
\textsuperscript{166} Id. at 376.
\textsuperscript{167} Id.
\textsuperscript{168} Id. at 378-79 (citing Soule v. Bon Ami Co., 195 N.Y.S. 574, 575-76 (1922); Ed Graham Prod., 347 N.Y.S.2d at 769 ("Where plaintiff's idea is wholly lacking in novelty, no cause of action in contract or tort can stand."); and Educational Sales Programs, 317 N.Y.S.2d at 843-44 ("Nothing is bestowed if the facts of a 'secret' imparted in confidence are already the subject of general knowledge."))
\textsuperscript{169} If this exception is interpreted broadly, the result could very well be a de facto return to Murray. Instead of requiring general novelty as an element of the claim, courts could just hold that the idea is so unoriginal that it is essentially known to everyone. By imputing knowledge of the idea to the recipient, the court would essentially be saying that the idea is non-novel generally – defeating the claim in the exactly the same way that Murray would have.
\textsuperscript{170} See generally Corbin on Contracts § 943.
broken. Essentially, the plaintiff must prove that his idea was actually used, which would trigger the defendant’s promise of compensation. If the producer refuses to pay, then the contract has been breached. Thus, the pivotal issue is what constitutes “use” of the writer’s idea. This has potential to be relatively simple for an express contract, since the parties are free to define “use” as they wish. But, as previously discussed, express contracts in story ideas are quite uncommon. Other forms of direct evidence proving use of the idea are also rare.

As a result, writers typically must rely on more circumstantial proof to show that their idea was used. According to Professor Lionel Sobel, “the law permits actual use of a plaintiff’s idea to be inferred from evidence of access and similarity.” Thus, just as in copyright infringement cases, access and similarity to the writer’s idea are crucial to the outcome of an idea submission claim. Also, under the so-called “Inverse Ratio Rule,” greater evidence of similarity may allow for lesser evidence of access, and vice versa – so long as both elements are present, and together are strong enough to support an inference that the plaintiff’s idea was used. This test makes a good deal of sense. If the defendant can show that he had no access to the idea, then a court must necessarily conclude that he did not copy it. Likewise, if there are few similarities between the writer’s idea and the producer’s final product, it is doubtful that one could legitimately consider the producer to have “used” the idea.

However, even if the writer demonstrates access and similarity, the producer may still argue the defense of independent creation.

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171. See id.
172. See Sobel, supra n. 95, at 65.
173. See generally Nimmer on Copyright § 16.05; Sobel, supra n. 95, at 65.
174. See Nimmer on Copyright § 16.05.
175. Supra Part III(A).
176. See Sobel, supra n. 95, at 67. (Professor Sobel gives an example of “direct evidence of use” in Musto v. Meyer, 434 F. Supp. 32 (S.D.N.Y. 1977), aff’d without op., 598 F.2d 609 (2d Cir. 1979).) (In that case, the defendant had acknowledged the plaintiff’s article as an “inspiration” for his novel.).
177. See Sobel, supra n. 95 at 67.
178. Id.
179. Id. at 70 (citing Golding, 35 Cal. 2d at 695).
181. See id.; Nadel, 208 F.3d at 380 n. 10 (“In order to recover for breach of contract, a plaintiff must demonstrate some nexus or causal connection between his or her disclosure and the defendant’s use of the idea, i.e., where there is an independent source for the idea used by the defendant, there may be no breach of contract.”); Klekas, 150 Cal. App. 3d at 1115 (holding plaintiff’s manuscript “had nothing to do with the writing of the
This means that the plaintiff is only entitled to compensation if the defendant actually used his submission; a producer will not be punished if he comes up with the idea on his own. Courts have held that "if the idea used by the defendant was independently developed or acquired from someone else, the defendant is not obligated to pay the plaintiff for it" – even if the independently created or acquired idea is exactly the same as the one the writer submitted. Of course, if the defendant cannot rebut the inference of actual use by proof of independent creation, then the result is a breach of contract and a legal duty to compensate.

D. Federal Preemption of Idea Submission Claims

Having analyzed each of the elements of an idea submission claim, it is important to understand the relationship between copyright law and the law of ideas. Because copyright law is exclusively federal, and the legal protection of ideas rests on state law, there is a potential for federal preemption of idea submission claims under the Supremacy Clause. This issue is absolutely crucial. If a contractual claim is preempted, then the plaintiff's only option is to sue under the more demanding theory of copyright infringement.

screenplay or the production of the film"); see also Sobel, supra n. 95, at 75.
182. See Sobel, supra n. 95, at 65.
183. But see id. at 69, 77-78. Professor Sobel argues that there is a second step to the analysis of breach. In addition to proving that the defendant actually used plaintiff's idea, he contends that the defendant's use must be "substantially similar" to the idea submitted. Id. According to Professor Sobel, the similarity requirement referred to in the text only serves to prove use of plaintiff's idea as opposed to independent creation. Id. The second requirement, "substantial similarity," is then used to determine whether the use is similar enough to trigger an obligation to pay. Id.

The text does not analyze this supposed second requirement, because it is the author's opinion that it is not really a requirement at all. Contracts for story ideas basically make the following bargain: the writer promises to furnish his idea, and the producer promises to pay the writer if the idea is used. Thus, the first step in the analysis – determining actual use – is the only step needed. If the court can infer that the defendant did in fact use plaintiff's idea, then the condition of the contract is satisfied and the defendant is required to perform. Any references to "substantial similarity" in the case law is likely a court's attempt to determine actual use, and not a second analytical step.

This view is in accord with that of the Nimmer treatise. See Nimmer on Copyright, § 16.08 n. 58 ("If there is a contractual or other obligation to pay for an idea, the defendant cannot avoid such liability by reason of the fact that he did not copy more than the abstract or basic idea of plaintiff's work.")(citing Donahue, 245 Cal. App. 2d at 593, and Stone v. Goodson, 8 N.Y.2d 8, 167 N.E. 2d 328, 200 N.Y.S.2d 627 (1960)).

Perhaps Professor Sobel's argument is correct in the copyright context – a court must first use similarity to infer copying, and then to determine infringement. But, in story idea contract cases, use and breach occur simultaneously. As soon as an idea is used, and a producer refuses to compensate, the contract is breached.

184. U.S. Const., art. VI.
Since abstract ideas are not protected by copyright law, the plaintiff would have to demonstrate both that his submission was eligible for copyright protection and that the defendant’s product is “substantially similar” to plaintiff’s submitted work. Both of these elements present difficult, perhaps insurmountable, obstacles for the writer who submits a mere treatment or story outline, and faces a producer with a fully developed product. Clearly, then, federal preemption is an issue of critical importance to the law of idea submission claims.

Section 301 of the Copyright Act of 1976 is the provision governing preemption. It provides a two-prong test to determine if a state law claim is preempted. First, the court must decide whether “the subject matter of the claim comes within the subject matter of the Copyright Act.” There is some dispute as to what this “subject matter” is, though all courts agree that the idea must at least be “fixed in a tangible medium of expression” to satisfy this first prong. Second, the court must ascertain “whether the rights protected by the state law claim are the equivalent of any of the exclusive rights protected by the federal Copyright Act.” This is determined by examining the elements of the state law claim and comparing them to the elements of copyright infringement; if the state law claim contains an “extra element,” then the rights it protects are not “equivalent” to

186. See Nimmer on Copyright § 13.01.
187. See 17 U.S.C. § 301 (1996) (“On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103.”).
188. Id. § 301.
191. This serves to distinguish oral idea pitches from written treatments and story outlines. Thus, if a writer discloses his idea to a producer orally without ever committing it to writing or any other “fixed medium of expression,” his idea is clearly not within the “subject matter” of copyright as defined in §102. The first prong would fail, and there would be no federal preemption. However, purely oral disclosures are rare, and so this distinction lacks practical force given the prevalence of treatments and outlines. See Bayard, supra n. 189, at 610.
192. See 17 U.S.C. § 301; Bayard, supra n. 189, at 610.
those protected by copyright, and there is no preemption.\textsuperscript{193} If both prongs are answered affirmatively, then the claim is preempted under section 301.

Currently, it is uncertain how this test applies to state law implied-in-fact contract claims. As to the first prong of the test, most courts in recent years have held that ideas can be “within the subject matter of the Copyright Act” for preemption purposes, as long as they are fixed in a written work.\textsuperscript{194} Critics of this position\textsuperscript{195} argue that ideas cannot possibly be within the subject matter of the Copyright Act “as specified by sections 102 and 103,”\textsuperscript{196} because section 102 – which is titled “Subject Matter of Copyright”\textsuperscript{197} – explicitly excludes ideas from its scope.\textsuperscript{198} However, courts have refuted this argument based on the Fourth Circuit’s decision in Berge v. Trustees of the University of Alabama,\textsuperscript{199} where it was held that the “[s]cope and protection are not synonyms . . . [T]he shadow actually cast by the Act’s preemption is notably broader than the wing of its protection.”\textsuperscript{200} Thus, although ideas are not within the subject matter of copyright for purposes of protection, they do fall within the subject matter of copyright for purposes of preemption.\textsuperscript{201}

As to the application of the second prong, there is much more disagreement. On one hand, the nature of a contract claim is very different from that of a copyright claim.\textsuperscript{202} Thus, it is hard to consider

\textsuperscript{193} See e.g., Worth, 5 F. Supp. 2d at 821; Computer Assoc. Int'l, Inc. v. Altai, Inc., 982 F.2d 693, 716 (2d Cir. 1992); see generally Bayard, supra n. 189, at 612-13 (citing Paul Goldstein, Copyright, Patent, Trademark and Related State Doctrines: Cases and Materials on the Law of Intellectual Property § 15.2.2 (4th ed. 1997) (“Courts generally hold that a state right is not equivalent to copyright, and thus is not subject to preemption, if the state cause of action contains an operative element that is absent from the cause of action for copyright infringement.”)).


\textsuperscript{196} See 17 U.S.C. § 301.

\textsuperscript{197} See 17 U.S.C. § 102.

\textsuperscript{198} See 17 U.S.C. § 102(b).

\textsuperscript{199} 104 F.3d 1453 (4th Cir. 1997), cert. denied, 522 U.S. 916 (1997).

\textsuperscript{200} Id. at 1453.

\textsuperscript{201} See supra n. 194.

\textsuperscript{202} See e.g., Miller v. Miramax Film Corp., No. CV 99-08526 at 9 (C.D.Cal. Nov. 24, 1999); Rokos v. Peck, 182 Cal. App. 3d 604 (1986); see also Kulik, supra n. 195, at 11 n. 84,
them "equivalent" under section 301. In the Seventh Circuit decision of ProCD, Inc. v. Zeidenberg, Judge Easterbrook wrote that 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. Copyright law forbids duplication, public performance, and so on, unless the person wishing to copy or perform the work gets permission; silence means a ban on copying. A copyright is a right against the world. Contracts, by contrast, generally affect only their parties; strangers may do as they please, so contracts do not create "exclusive rights."

Since a contract for ideas is only enforceable between the parties, it does not give anyone a "monopoly" over the idea like copyright does – it does not "withdraw the idea from general circulation." Anyone who is not a party to the contract (i.e., anyone other than the writer and producer) is free to use the idea as they wish. Furthermore, some courts point out that contracts contain the "extra element" of a promise. Since the plaintiff must prove that a contractual relationship existed, they argue, an idea submission claim is far from "equivalent" to a copyright infringement action.

However, other courts have held that these rights may be "equivalent" in some cases, and as a result have preempted implied-in-fact contract claims. One recent example is Selby v. New Line Cinema. Plaintiff William Selby had written a screenplay involving

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204. 86 F. 3d 1447 (7th Cir. 1996). For an in-depth review of the ProCD case, see Bayard, supra n. 189, at 614-18.
205. Id. at 1454.
206. See Rokos, 182 Cal. App. 3d at 614; 227 Cal. Rptr. at 486.
time-travel called "Doubletime," and submitted it to New Line.\textsuperscript{210} Later, New Line purchased the screenplay of a different writer, entitled "Frequency," that involved a similar plot.\textsuperscript{211} Selby then sued for breach of implied-in-fact contract, claiming that New Line knew he expected to be compensated if his idea was used.\textsuperscript{212} But the court ruled that his state law claim was preempted by section 301.\textsuperscript{213} First, the court rejected the notion that a contractual promise is always an "extra element":

Suppose, e.g., that the defendant promised "I will not infringe any copyright . . . in the script that you are proposing to show me." In that case, the promise is so inextricably entwined with the copyright that to permit the promisee to sue upon it would undermine the preemption feature of the Copyright Act.\textsuperscript{214}

Next, the court pointed out that even Judge Easterbrook in his \textit{ProCD} opinion refused to adopt "a rule that anything with the label 'contract' is necessarily outside the preemption clause."\textsuperscript{215} The court held that contract rights are "equivalent" to copyright rights whenever "the alleged promise not to 'use' plaintiff's ideas does not prohibit any conduct beyond that prohibited by the Copyright Act."\textsuperscript{216} Since Selby's contract could be breached "by the mere act of reproduction, performance, distribution, or display,"\textsuperscript{217} precisely the sort of conduct that would constitute copyright infringement -- the test of equivalence was met, and the contract claim was preempted.\textsuperscript{218} Basically, \textit{Selby} held that a contract claim is preempted if it asserts "no additional rights other than promising not to benefit from the plaintiff's work."\textsuperscript{219}

This split of authority over the application of section 301 to implied-in-fact contracts has created a great deal of ambiguity concerning the continued viability of idea submission claims. Both

\begin{itemize}
\item \textsuperscript{210} \textit{Id.} at 1055.
\item \textsuperscript{211} \textit{Id.}
\item \textsuperscript{212} \textit{Id.}
\item \textsuperscript{213} \textit{Id.} at 1054.
\item \textsuperscript{214} \textit{Id.} at 1060 (citing \textit{Endemol Entertainment}, 48 U.S.P.Q. 2d (BNA) at 1528).
\item \textsuperscript{215} \textit{Id.} (citing \textit{ProCD}, 86 F.3d at 1455).
\item \textsuperscript{216} \textit{Id.} at 1061-62.
\item \textsuperscript{217} \textit{See Natl. Car Rental Sys., Inc. v. Computer Assoc. Intl., Inc.}, 991 F. 2d 426, 431 (8th Cir. 1993), \textit{cert. denied}, 510 U.S. 861 (citing \textit{Nimmer on Copyright}, § 1.01(B)(1)(a)).
\item \textsuperscript{218} \textit{Selby}, 96 F. Supp. at 1062.
\item \textsuperscript{219} \textit{Id.} (quoting \textit{Endemol Ent.}, 1998 WL 785300 at 1528); see also \textit{Wrench}, 51 F. Supp. 2d at 853 ("[A] promise not to use another's ideas and concepts without paying for them is equivalent to the protection provided by section 106 of the Copyright Act."); \textit{Bayard}, supra n. 189, at 619.
\end{itemize}
approaches have cases to support them.\textsuperscript{220} Although the Selby line of precedent seems to presently have more momentum, the ultimate decision on preemption will have to come from the federal Courts of Appeals.\textsuperscript{221} As of now, no clear answer has emerged.

IV
Proposed Changes

Today idea submission claims continue to be a prominent source of Hollywood litigation, and many of the legal issues involved remain unsettled. In part, this is due to the fact that most cases settle, resulting in relatively few judicial opinions. But even in cases that do produce opinions, the law is far from fixed. Debates continue as to what a plaintiff must show to establish formation of an implied-in-fact contract, what is required to prove "use" of an idea, and over the all-important application of the copyright preemption doctrine. For all of these topics, it is necessary to consider not just the rules, but the broader social policies behind the rules. Only when the doctrine is examined in light of its policy purposes can one accurately assess its successes and failures, and best determine how the law should be shaped for the future. After exploring what the law is, the next step is to ask what the law \textit{should} be.

A. The Need for Protection of Ideas

At the outset, it is imperative to understand why the law protects ideas at all. After all, no one has ever seriously disagreed with Justice Brandeis’s famous opinion that ideas are "free as the air to common use."\textsuperscript{222} As demonstrated by the scope of the Copyright Act, Congress refuses (and rightfully so) to grant "exclusive rights" in ideas.\textsuperscript{3} Yet, for some reason, these complex legal doctrines have emerged.

Perhaps the best rationale for idea protection is rooted in the

\textsuperscript{220} Supra Part III.

\textsuperscript{221} The Ninth Circuit, which is arguably the most important for idea submission claims since it includes California, confirmed that this remains an open issue. It hinted (in an unpublished decision) that: "rights 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." But the court went on to say: "However, this circuit has not definitively ruled on this issue in the context presented by this appeal." See Kulik, supra n. 195, at 3 n. 15 (quoting Star Patrol Ent., Inc. v. Saban Ent., Inc., 1997 U.S. App. LEXIS 29994, at *9 (9th Cir. Oct. 23, 1997)).

\textsuperscript{222} See Intl. News Serv., 248 U.S. at 250 (Brandeis, J., dissenting). In fact, this proposition is considered "well rooted in our jurisprudence." See Nimmer on Copyright § 16.01.

nature of the industry itself. Because Hollywood can only produce a limited number of films and television shows, ultimately most story concepts are rejected. Therefore it would be impractical for a writer to complete a full, copyrightable script before he submits the story to a studio for consideration.\footnote{224} It would be a tremendous waste of time, since the majority of his ideas will go unused. But, if copyright were the only legal tool available to protect his work, the writer would be forced into one of two equally unattractive options. He could take the time to finish his script so that it would qualify for copyright, in order to ensure its protection, but this low productivity combined with the slim probability of success makes this too financially unstable. In order to make a living, writers need to be as prolific as possible. In the alternative, he could just compose treatments or story outlines, and refrain from writing a full script until a producer showed interest in a particular idea. However, since such outlines are rarely copyrightable, the writer would be running the risk of having his ideas stolen without any legal remedy. Producers would steal with impunity, which would discourage people from becoming writers in the first place. In the 1950s, this was precisely the argument made to the courts.\footnote{225}

Besides the nature of the industry, protection of ideas may have also been motivated by a broader concern for fairness. There is just something that seems inherently wrong in allowing producers to accept an idea from a writer and use it for their own personal gain, without ever giving the writer anything in return. From this perspective, the policy for idea protection is similar to that of unjust enrichment in contract law; the writer rendered a service by which the producer profited, and he should therefore be compensated.\footnote{226} Moreover, it is helpful to recall the purpose of intellectual property law in general – “to promote the Progress of Science and useful Arts.”\footnote{227} Just as with copyright, the law must protect a writer’s ideas in order to preserve incentive for future writers to create.\footnote{228}

\begin{footnotes}
\item[224] See Rokos, 182 Cal. App. 3d at 613 (citing John A. Tretheway, Note, \textit{Literary Property: Idea Protection by Contract Requirement of Novelty}, 26 S. Cal. L. Rev. 459 (1953) (“In many courts it is now being argued by literary artists that they must have some form of protection for their ideas. They argue that in motion picture story writing and television program writing, it has become necessary to submit ideas to the show producers, and not develop them into complete works until and unless they are approved.”)).
\item[225] Id.
\item[226] See generally \textit{Corbin on Contracts} § 1.20.
\item[227] U.S. Const. art. I, § 8.
\item[228] See \textit{Feist Publications, Inc. v. Rural Tel. Serv. Co., Inc.}, 499 U.S. 340, 349-50 (1991). As discussed above, this need for incentives is especially important in the context of entertainment ideas, where most often the writer’s only option is to submit an uncopyrightable treatment or outline.
\end{footnotes}
B. Potential Legal Theories for Idea Protection

All of these policies demonstrate the need for the legal protection of ideas. Of course, the next problem was to choose a legal theory that would provide an appropriate level of protection. When California Civil Code section 980 was amended in 1947 to eliminate exclusive rights in “products of the mind,” the theory based on property law was wisely rejected. Because of their abstract character, ideas are simply not conducive to being classified as property. One cannot have a monopoly over something that exists only in the mind; if anyone else can think up the same idea on their own, it can hardly be the subject of “ownership” to the exclusion of all others.

With its misappropriation claim, though, New York does recognize some form of property interests in certain ideas. However, what the critics ignore is that New York recognizes only a limited property interest. For such an interest to apply, the plaintiff must prove both key elements – that the idea is novel and concrete, and that the requisite legal relationship existed between the parties. By including these elements, New York law avoids the pitfalls encountered by California’s old section 980. Since there must be a legal relationship between the parties, it is clear that the misappropriation theory does not confer wholly “exclusive rights” to the idea’s creator. Much like a contract, the plaintiff's right to exclude is only enforceable against the defendant (or anyone else in the requisite legal relationship). Furthermore, the limits of this property interest are also preserved by the novelty requirement. If a defendant can demonstrate independent creation or a lack of access to the plaintiff’s idea, then it is likely the idea would not be considered novel. The fact that two people came up with the same basic story independent of one another would tend to suggest that it is not a genuinely unique idea. Without novelty, there would be no protectable property interest, thereby eliminating any concerns about monopoly over “products of the mind.” Basically, New York’s misappropriation claim is not subject to the usual criticisms about

230. See e.g. ProCD, 86 F.3d at 1454; Kulik, supra n. 195, at 15; Sobel, supra n. 95, at 27.
232. Id. at 63 (citing Sobel, supra n. 95, at 27).
treating ideas as property because, as a general rule, it actually does not treat them like property. Rather, it only reserves this status for a particular class of ideas – setting up a doctrine that takes the age-old principles of property law and adapts them to fit the specialized context of idea protection.

As Professor Nimmer pointed out, it is necessary to employ these “new applications of traditional legal theories”234 because ideas do not fit comfortably under any other area of the law. Safeguarding ideas is clearly an important goal, but finding suitable means to reach that goal is difficult. There is no applicable statute. Classical property law would provide too much protection, and copyright provides no protection at all.235 Therefore, the best approach is to combine their relative strengths – the law should enable a writer to secure compensation for the use of his idea, but without granting him exclusive rights in it. In New York’s misappropriation claim, this was accomplished by allowing a property interest in ideas, and then restricting it through the novelty and legal relationship requirements.

Primarily, though, the best way to achieve this balance is through contract law. Contracts for story ideas create a legal duty to compensate the writer, but that duty is only enforceable against the parties to the agreement. This leaves the idea itself in the public domain, available for free to everyone except the studio or producer who accepted the submission. Thus courts avoid all of the problems associated with the concept of ideas as property; liability is based simply on a promise, rather than on implausible notions of ownership. Of course, relying on contract law is not without its disadvantages. Difficult questions remain over how to apply the familiar legal rules of contract to best fulfill the policy goals underlying idea submission claims.

C. The Desny Test for Formation

The first major issue is determining when a court should decide that an implied-in-fact contract was formed. Recall that the test set forth in Desny had two prongs: the writer must clearly condition his disclosure of the idea on the producer’s promise to pay, and the producer must voluntarily accept the disclosure understanding the condition.236 This standard, if strictly construed, would be unduly harsh on writers. Since the vast majority of writers are struggling to

234. See Nimmer on Copyright § 16.01.
235. Id.
236. 46 Cal. 2d at 739; see supra Part III(A).
get their big break, they completely lack the power to bargain. If writers must clearly condition disclosure on a promise to pay, no rational producer would accept – as Justice Carter put it in his Desny concurrence, “if he says to whomever he is permitted to see . . . ‘I won’t tell you what my idea is until you promise to pay me for it,’ it takes no Sherlock Holmes to figure out what the answer will be!” Consequently, the Desny test may be inadequate to provide the necessary protection of ideas.

As an alternative, Justice Carter argued that it should be presumed that producers know the writer expects compensation in exchange for his idea:

It is at that time, without anything being said, known to both parties that the one is there to sell, and the other to buy. This is surely true of a department store when merchandise is displayed on the counter, it is understood by anyone entering the store that the merchandise so displayed is for sale, [and] it is completely unnecessary for the storekeeper, or anyone in his employ, to state to anyone entering the store that all articles there are for sale. I am at a loss to see why any different rules should apply when it is ideas for sale rather than the normal run of merchandise.

Several plaintiffs have asserted this very same argument, claiming that there is an “industry custom” to pay for idea submissions if they are used. Thus, producers do not need to be told that idea disclosures are conditional upon a promise to pay – they already know. For example, in Whitfield v. Lear, the plaintiff pointed out that when a producer is not interested in reading a script, it is typically returned to the writer unopened. “If, however, a studio or producer is notified that a script is forthcoming and opens and reviews it when it arrives, that studio or producer has by custom implicitly promised to pay for the ideas if used.” The court was sufficiently persuaded by this to deny the defendant’s motion for summary judgment, and held that the producer’s assent was an issue

237. Id. at 755 (Carter, J., concurring in result only).
238. Id. at 756.
239. See generally Sobel, supra n. 95, at 44-47; Nimmer on Copyright § 16.05(B).
Professor Sobel questions whether or not such an industry custom does actually exist, and argues that the majority in Desny clearly held that the burden is on the writer to make his expectation of payment known to the producer. Sobel, supra n. 95, at 44-47. Thus, he believes that Desny does not allow industry custom, even if it does exist, to create a presumption that would reduce the plaintiff’s burden. Id.
240. 751 F.2d 90 (2d Cir. 1984).
241. Id. at 93.
242. Id.
of fact for trial. If other courts were to accept this “industry custom” position as indeed some have, then this lenient application of Desny would reduce the heavy burden imposed by the test as it is written. Without a doubt, this would enhance the level of legal protection afforded to writers.

However, one must also consider the interests of producers. Because they are always the ones accused of stealing (and often justifiably so), it is easy to focus solely on making the law strong enough to ensure the proper protection of writers. This would be a big mistake, though. The effects of legal rules are felt by both the writer and producer equally, and will shape their subsequent behavior. Producers will adjust their behavior in response to the law, in order to shield themselves from future liability. Therefore, any legal doctrine that is too demanding on producers may end up altering the idea submission relationship, with severely negative consequences for the writers. The “industry custom” argument is a perfect example of this. If a producer were presumed to know that the disclosure is conditioned upon a promise to pay, as Justice Carter suggested, then a contract would be formed every time an idea is received. This would expose producers and studios to a far-reaching scope of potential liability. They would inevitably face a flood of lawsuits (some frivolous, some with merit) by plaintiffs claiming to be owed compensation under an implied agreement. Perhaps quite literally, they would be sued for every single film or television program produced. Valuable time and resources would be lost to litigation. Independent creation would be their only defense. Ultimately, producers would have no choice but to limit the number of ideas they accept.

243. Id. (“We conclude that the communications in question and the allegation of custom in the industry are sufficient to withstand a motion for summary judgment on this point.”); see also Minniear v. Tors, 266 Cal.App.2d at 504 (“Tors admitted that pilots are made in the industry for the purpose of showing them to prospective purchases with a view to selling them commercially to make a series.”).


245. 46 Cal. 2d at 755 (Carter, J., concurring in result only).

246. See Burten v. Milton Bradley Co., 592 F. Supp. 1021, 1031 (D.R.I. 1984), rev’d, 763 F.2d 461 (1st Cir. 1985) (“If [idea recipients] could not effectively safeguard themselves . . . they might well have to curtail submissions.”).
In fact, this has already occurred, through the use of releases. In large part because of cases like Whitfield, studios refuse to accept any unsolicited ideas unless the writer agrees to release all of his rights to the material. This puts the many writers who are unable to get an agent in the worst position of all – they have the choice of either waiving their rights to compensation or not having their idea considered at all. Because of this, some critics have suggested that idea submission releases are unenforceable contracts of adhesion. They argue that the huge disparity in bargaining power renders them unconscionable. But this view also overlooks the enormous disadvantages to writers that would follow if a court held releases invalid. If releases were ruled unenforceable, producers would only accept idea submissions from writers with agents; unrepresented writers would be cut off from access to the studios completely. As Professor Sobel correctly points out, this would be “a consequence more harmful to aspiring writers than the possibility that releases will bar some of them from suing for the suspected theft of their ideas.”

By signing a release, a writer will at least get his idea considered, and he might even get noticed. Thus, despite their apparent unfairness, courts should continue to enforce idea submission releases.

For writers who do have agents, however, the issue as to the proper standard for contract formation remains unclear. The Desny rule seems to be hard on writers, but the “industry custom” position may threaten the market for ideas. Nevertheless, in light of the policy considerations involved, Justice Carter’s position should prevail – the Desny test should be modified so that courts will imply a promise to pay by producers whenever they accept a submitted idea not covered

247. See Sobel, supra n. 95, at 90; see also supra Part II.
248. For a discussion of the various theories critics have used to attack idea submission releases, see Nimmer on Copyright, § 16.05 n. 30 (including Cal. Civ. Code § 1668, which provides that “[a]ll contracts which have for their object, directly or indirectly, to exempt any one from responsibility for his own fraud, or willful injury to the person or property of another, or violation of law, whether willful or negligent, are against the policy of the law.”); but see Land v. Jerry Lewis Prod., Inc., 140 U.S.P.Q. 351 (Cal. Super. Ct. 1964) (“I do not doubt that producers by appropriate contracts could provide for submission of literary properties free from any liability on their part to pay for general ideas embalmed in the literary properties under submission.”).
249. See Sobel, supra n. 95, at 91.
250. Id.
251. Id. at 90-91.
252. With releases in place, many people might decide to keep their ideas to themselves instead of submitting them subject to a waiver. In this way, allowing releases hurt the flow of creativity. However, whatever limit this imposes would pale in comparison to the limit on creativity that would result if releases were unenforceable.
by a release.

This shift will not radically alter the balance of power in Hollywood, but it will have some important consequences. Unfortunately, the change would likely do nothing to help unrepresented writers. Since releases would remain enforceable, producers would retain their immunity against lawsuits based on unsolicited ideas. However, this new legal rule would have a significant effect on all the idea submission claims that do go to court. It would effectively shift the burden of proof on the formation issue. Instead of having to show that he clearly conditioned disclosure on a promise to pay, the plaintiff would merely have to prove that he offered the idea and the producer accepted it, and a contract would be formed. In the end, this new rule would bring about two distinct categories of results—unsolicited ideas would be unprotected because of releases, but any idea presented through an agent would always be protected under an implied-in-fact contract.

This change is beneficial for three reasons. First, the new rule would make the law more even-handed by placing writers and producers on a more equal footing relative to their positions under Desny. Under current law, writers face an entirely uphill battle to obtain compensation for their ideas. Producers, on the other hand, have all the advantages. Releases enable them to receive many ideas for free. Plus, even if a writer does not sign a release, producers can use their superior bargaining power to refuse any disclosure that is clearly conditioned upon a promise to pay. This new rule, on the other hand, would level the playing field. Since a contract would be formed whenever a producer accepted an idea without a release, writers would receive the benefit of the burden of proof. However, the producers would still have the protection of releases, which would prevent them from being overwhelmed by frivolous litigation. They would also have several defenses, such as independent creation, federal preemption, or perhaps novelty; just because a contract is formed does not automatically mean the producer must pay. There will be costs associated with the inevitable increase in litigation, but the social interest in increasing idea protection outweighs them.

Second, the new rule would better comply with the traditional principles of implied-in-fact contract doctrine. Under these principles, the key to the formation of a story idea contract is whether or not the producer knows that the writer expects compensation for his idea. If the producer knows this, and accepts the idea anyway, then his acceptance constitutes an implicit agreement to pay. This knowledge is crucial because, as Desny emphasized, “unless the offeree has
opportunity to reject he cannot be said to accept." If a writer "blurts out his idea without having first made his bargain," there is no mutual assent and no contract. Thus, the new rule will reach the correct results. The acceptance of unsolicited ideas – the equivalent of "blurting out an idea without having first made a bargain" – should not (and will not, because of releases) lead to contract formation. However, when an idea is received through an agent, the producer is clearly put on notice that the writer expects compensation for his idea. Agents are hired for one reason, to sell the writer's ideas. All producers know this, and so any acceptance of an idea through an agent should be sufficient to constitute an implicit agreement to pay. There is no need for the plaintiff to "clearly condition" his disclosure, as Desny requires; the new rule would recognize that the mere presence of an agent is sufficient to alert the producer to the fact that the writer expects compensation.

Third, and arguably most important, this shift in the law would be fully insulated against a reaction by the producers. Under Desny, it is fairly simple for a studio or network to avoid forming contracts by using releases and by turning away anyone who conditions disclosure on a promise to pay. The new rule, though, would not be so easily avoided. Producers would be unable to adopt self-defense measures. First, they could not attempt to use releases with agents, as they could if they were dealing with an individual writer. No agent would ever be foolish enough to waive his client's right to compensation. Next, studios could try to utilize express contracts more often. If the law will imply a contract whenever a solicited idea is accepted anyway, they might feel it is easier to just put it all in writing, in order to clearly define the terms and conditions of the agreement. This may allow studios to manipulate the definition of "use" of an idea, but the contract would most definitely contain a promise to pay if use occurs. Finally, producers would not be able to simply refuse to deal with agents. Collectively agents have the bargaining power that individual writers lack; they are producers' main source of idea submissions. While unsolicited idea submissions are a nuisance,

253. 46 Cal. 2d at 739.
254. Id.
255. It is possible that producers could refuse to deal with many lesser-known agents, and only accept submissions through established contacts. This would be a problem for unproven writers, who can only get representation through these lower-tier agents. This is unlikely, however, because it is doubtful that producers would want to restrict their pool of potential ideas from up-and-coming writers. Many of these writers could be young prospects that the industry will need in the future; they do not present the same type of nuisance to studios as unsolicited idea submissions.
producers depend on agents to find them new projects. After all, they have to get their ideas from somewhere. Thus the new rule would prevent producers from shielding themselves from the effects of the law.

In sum, the Desny test for contract formation should be modified. The law should imply an agreement whenever a producer accepts an idea that is not subject to a release. Shifting the burden of proof will do a great deal to protect many writers. Some will criticize this position for not affording protection to unrepresented writers, but failing to enforce releases would make them even worse off. This proposed change maintains the delicate balance between the interests of writers and producers, which is necessary to foster the creativity that fuels Hollywood.

D. Novelty

Another important issue is whether or not courts should require an idea to be novel in order for it to qualify for protection under state law. As discussed earlier, New York and California have historically split on this question. In California all ideas are protectable by contract, regardless of their novelty. In New York novelty is not required at all for express contracts, but under Nadel there must be a showing of novelty to the recipient of the idea for implied-in-fact contracts. While this requirement is easier to meet than the general novelty formerly mandated by Murray, the Nadel decision also made clear that some ideas may be so unoriginal that the court will infer they are "known to every person," including the recipient.

First, both New York and California are correct in their treatment of express contracts. Novelty should not be required where there is an explicit agreement. Writers and producers enjoy a wide freedom of contract, and so may agree to anything they wish. If the parties desire, they should be able to enter a contract for an old idea just as easily as a new one. The producer always has the option to require novelty under the express terms of the contract. If he chooses not to, and later uses the idea anyway, it would suggest that novelty does not matter to him. The court should not supply a term that the

256. See Chandler, 156 Cal. App. 2d at 443; see also Peter Swarth, The Law of Ideas: New York and California are More Than 3,000 Miles Apart, 13 Hastings Comm. & Ent. L.J. 115, 126 (1990); supra Part III(B).
257. See 208 F.3d at 374; supra Part III(B).
258. 208 F.3d at 378-79; see supra Part III(B).
259. See Nimmer on Copyright § 16.08 (citing Donahue, 245 Cal. App. 2d at 613; Fink v. Goodson-Todman Enterprises, Ltd., 9 Cal. App. 3d 996 (1970); Korkos v. Toyo Kogyo
parties did not bargain for. Furthermore, if the producer used the idea after entering an express contract for its disclosure, one could infer that it was valuable consideration to him, even if it was not novel.

For implied-in-fact contracts, however, courts should require some degree of novelty for an idea to be eligible for legal protection. There is an important policy reason for such a requirement. The law should not permit a writer to submit a common, frequently used idea, and then sue for compensation the next time a producer uses it. If this were allowed, producers could potentially face a landslide of frivolous litigation—scores of writers would submit broad, general ideas, and then file suit over the next film or television show that is remotely similar. Certainly, releases would keep unrepresented writers from suing, and the Desny test would prevent most of these plaintiffs from proving a contract existed. But many suits would still be filed, and some plaintiffs might occasionally win. Thus a novelty requirement is necessary to stop these lawsuits from even getting inside the courthouse doors.

The facts of the Murray case provide a good example of all this. If Murray could submit an idea for a “situation comedy about a nonstereotypical black family” and somehow prove that an implied-in-fact contract existed, this would set a dangerous precedent. He might even try to sue over future NBC shows that made use of the same general idea, such as The Fresh Prince of Bel-Air, Amen, and 227. Other writers would submit similarly vague, non-novel ideas in hopes that a movie or show fitting such a broad description would eventually be made, so that they could win a verdict or at least force a settlement. For instance, someone might submit an idea for a “half-hour sketch comedy show, like Saturday Night Live, but with a predominantly African-American cast,” and then sue over the

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260. This discussion generally focuses on the policy concerns, and avoids an in-depth analysis of whether or not novelty is needed for ideas to be valuable consideration. If novelty is required, that novelty will prove the idea’s value as consideration (as in New York). If no novelty is required, the disclosure can be the source of consideration (as in California). Thus, since consideration can be found either way, one should decide whether or not novelty should be required based on the policy concerns involved.

261. See Murray, 844 F.2d at 995.
Rethinking the Law of Story Ideas

Keenen Ivory Wayans’ hit *In Living Color.* A novelty requirement would save both producers and the courts a great deal of time and money, which would otherwise be needed to fight off this kind of litigation.

Of course, determining that there should be a novelty requirement does not resolve the issue – one must define exactly what constitutes a “novel” idea. The dictionary defines “novel” as “new and not resembling something formerly known or used; original or striking.” To be novel in patent law, an invention must be something “not known to any one before.” In idea submission cases, courts have typically used similar definitions. As stated in *Murray,* “the central issue is the uniqueness of the creation.” However, these definitions present a problem in the story idea context. In some ways, every story idea is unique. Each one will have different characters, different settings, and a specific plot that has never been told in that particular way. On the other hand, few story ideas are ever truly original. Nearly every film or television program shares some basic elements of its predecessors, through the use of a similar premise, stock scenes or characters, or common plot devices. Thus, under these definitions, it is possible that most story ideas could legitimately be classified as both novel and non-novel – it all depends on perspective, on whether one focuses on the broad similarities or the specific details.

Therefore, when a writer submits a story idea to a studio, whether or not it is “novel” should turn on the level of detail in the submission. If the submission is just a vague description of a familiar premise and some uninteresting characters, it is “nothing more than a variation on a basic theme” and should not be considered novel. However, if the writer took the same “basic theme” and added some depth that distinguished it from previous works – by discussing specific plot points or peculiar character relationships, for instance – then it should be deemed novel. Under this definition, an idea’s

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269. See e.g. *Nadel,* 208 F.3d at 378 (“The determination of whether an idea is original or novel depends on several factors, including, inter alia, the idea’s specificity or generality (is it a generic concept or one of specific application?), its commonality (how many people know of this idea?), its uniqueness (how different is this idea from generally known ideas?), and its commercial availability (how widespread is the idea’s use in the industry?).”).
270. 844 F.2d at 993.
novelty would correspond directly with the degree to which the idea has been developed.

For example, imagine a writer submits an idea for "a time-travel adventure movie, featuring a eccentric scientist and a teenage boy who go back in time." This submission should not be held novel, because it is too general. In fact, it is barely an idea at all - it suggests a genre, but does not tell much of a story. This is similar to Murray's idea for a "situation comedy about a nonstereotypical black family."

Now suppose a writer submitted the following idea:

In the year 1985, an eccentric old scientist ("Doc") invents a time machine out of a DeLorean. One night, Doc invites his friend Marty (who is in high school) over for a demonstration of his new invention. But, something goes wrong - and Marty is accidentally sent back in time to the year 1955. In the process, the time machine runs out of fuel, stranding Marty in the past. To complicate things further, he inadvertently prevents his parents from meeting. This change in the past will seriously affect Marty's future; if he can't get his parents to fall in love, he will never be born. So, to prevent his existence from being erased, Marty must figure out a way to get his parents together in 1955. And even if he succeeds, he still needs to find a way home.

Of course, this is the plot of the popular Michael J. Fox franchise, Back to the Future. As an idea submission, this would appropriately be considered novel. The added details serve to distinguish it from a generic "time-travel adventure movie."

This test for novelty would be easy to satisfy - all writers would have to do is add enough distinctive details to their idea. Essentially, the only submissions that would be deemed non-novel are those that are "nothing more than a variation on a basic theme." Any specific, well-developed story idea would be considered novel. Of course, the test for novelty should be easy to satisfy. If it were a tougher standard, requiring a high degree of uniqueness (e.g. "not known to anyone before"), there would be a risk of leaving many writers unprotected. Thus, in order to maximize the free flow of ideas and encourage creativity, the law should impose only a slight burden. But, there must be a limit; the law must have a mechanism to keep the Murrays of the world out of court. Everyone else should be able to get past the novelty requirement without any trouble, for the real

273. Id.
274. Note that the negative consequences of this novelty requirement are small. Perhaps some people will refuse to disclose their ideas, but since these ideas would be non-novel, the social costs to creativity are negligible.
merits of their case will be tested under the mutual assent, breach, and preemption branches of idea submission law.

In light of these policy considerations, it seems like California has made a mistake in not requiring at least a minimal level of novelty for implied-in-fact contracts. New York's position is more sensible. Novelty to the recipient is all that is required, which is usually met as long as the producer had not previously known or used the idea. On its face, even Murray would pass this test. But, the exception in Nadel is critical: "an idea may be so unoriginal or lacking in novelty that its obviousness bespeaks widespread and public knowledge of the idea, and such knowledge is therefore imputed to the buyer." If applied appropriately, this language should be sufficient to maintain the type of novelty requirement described above.

E. "Use" of an Idea

Further issues arise concerning the breach of story idea contracts. For an idea contract to be breached, the producer must have actually used the writer's idea in one of his projects. Usually there is no express contract that explicitly defines "use," and direct evidence of use is rare. As a result, it is typically up to the court to decide whether or not the writer's idea was actually used. Under current law, courts infer use of an idea from evidence of access and similarity. Consequently, it is necessary to determine just how much similarity should be required in order to find a breach.

Of course, since similarity is very intangible, it would be impossible to arrive at a bright-line rule. It is too difficult to measure in practical, easily quantifiable terms. Inevitably a court's inquiry into similarity will be heavily fact-specific, and the result may ultimately hinge on the judge's instinct and gut feeling about the material. Thus, the law cannot attempt to develop a standard with any precision; it can only provide a general guide for courts to follow. Accordingly, this has translated into a choice between two broad standards: ordinary "similarity" or the more demanding "substantial similarity." Because of the fact-specific nature of the similarity

275. 208 F.3d at 378.
276. For cases employing the "similarity" standard, consult Weizenskorn, 40 Cal. 2d at 792 (breach occurs "no matter how slight or commonplace the portion which they used."); Buchwald, supra n. 23, at *9 ("liability in a contract case can arise even if a nonsubstantial element is copied"); Donahue, 245 Cal. App. 2d 593; Minniear, 266 Cal. App. 2d at 504, 72 Cal. Rptr. at 294; see generally Nimmer on Copyright, § 16.05 n. 58.
277. For cases employing the "substantial similarity" standard, see Henried v. Four Star Television, 266 Cal. App. 2d 435, 436 (1968); Whitfield, 751 F.2d at 93-94; Kurlan, 40 Cal. 2d at 809; Sutton v. Walt Disney Prods., 118 Cal. App. 2d 598, 603 (1953).
inquiry, deciding which standard to use is equivalent to deciding who will receive the benefit of the doubt. If basic "similarity" is used, the writer will have to prove fewer common elements to support an inference of actual use. On the other hand, if "substantial similarity" is used, then the writer's burden is higher and the producer has an advantage. This issue has never been fully settled. Over time, courts have used both standards in idea submission cases.278

From a policy perspective, using "substantial similarity" is the better approach. As discussed earlier with respect to novelty, many story ideas can be construed as "similar" if viewed broadly. A court should be fairly certain that a writer's idea was actually used, and so producers should get the benefit of the doubt under the standard. Of course, "substantial similarity" does not require an exact match between the idea and the finished product. Surely, there will be differences in characters, setting, scenes, and perhaps even a different ending. But, the two works must have more in common besides the same basic premise, or else there would be insufficient protection of producers.279 Simply sharing a premise should not be enough to breach the contract; instead, the court should require a close resemblance in the overall plot and storyline.280 Therefore, the ambiguity in the standard should slightly favor the producer. In the end, though, application of the "substantial similarity" standard would depend heavily on the facts of each particular case. Because the standard is so imprecise, it is possible that its exact formulation is unimportant. There is a real chance that judges would reach the same results, regardless of whether they used ordinary "similarity" or "substantial similarity" as their guide.

Finally, it is interesting to note that a novelty requirement would assist courts in deciding whether or not a producer has used a writer's idea.281 If an idea submission is novel, this would tend to suggest that the defendant actually used the submission, though this is subject to

278.  See generally Nimmer on Copyright.

279.  This would be especially true if the courts were to modify the Desny test and imply a contract whenever a producer accepts an idea without a release, as suggested. Any reduction in the plaintiff's burden to prove contract formation should be offset by making him show slightly more similarity in order to prove that his idea was actually used.

280.  See Minniear, 266 Cal. App. 2d at 505, 72 Cal. Rptr. at 294 ("An underwater adventure series, like a cowboy adventure series, has certain basic similarities which cannot be avoided. However, there are enough similarities in basic plot ideas, themes, sequences, and dramatic 'gimmicks' between 'Sea Divers' and 'Sea Hunt' for a jury to infer that appellant's ideas and format were the inspiration for 'Sea Hunt.'").

281.  See Sobel, supra n. 95, at 62-63 (citing Apfel, 81 N.Y.2d at 470).
rebuttal by a defense of independent creation. Conversely, if an idea is non-novel, the defendant could argue that he already knew of it, and hence did not use the plaintiff’s submission. If courts adopted the novelty requirement recommended above – which judges an idea’s novelty on its level of depth and detail – it too would also help in determining breach. The law would encourage writers to include more details in their submissions; in turn, this would provide the courts with more elements to compare when assessing the similarity between the idea and the completed work.

F. Preemption by Copyright Law

Perhaps the most important issue in the law of ideas, however, is the preemption of idea submission claims by federal copyright law. The present trend is favoring preemption, and critics believe that this trend could be “the death knell to idea submission cases.”

Recall the test for preemption, which is governed by section 301 of the Copyright Act. The first prong is whether or not “the subject matter of the claim comes within the subject matter of the Copyright Act.” Second, the court must determine “whether the rights protected by the state law claim are the equivalent of any of the exclusive rights protected by the federal Copyright Act.” As this statute is currently written, implied-in-fact contract claims for story ideas should never be preempted.

First of all, it seems that Judge Easterbrook’s ProCD opinion was correct in holding that the rights of a contractual idea submission claim are not “equivalent” to the rights protected by copyright. By their nature, contract rights are inherently different from copyright rights. A contract is only enforceable against the parties, while a copyright grants the holder a monopoly against the world. If a producer and a writer form a contract for a story idea, everyone else is free to use the idea as they please; however, if a writer obtains a copyright, he thereby “withdraws the idea from general

282. Id.
283. Id.
285. See Selby, 96 F. Supp. 2d at 1062 n. 8; see also Kulik, supra n. 195, at 3.
287. Id. § 301; see also Del Madera Properties, 820 F.2d at 976-77; supra Part III(D).
288. Id. § 301; see also Del Madera Properties, 820 F.2d at 976-77; supra Part III(D).
289. 86 F.3d at 1454.
290. Id.
Moreover, contracts have the "extra element" of a promise. It strains logic to call these "equivalent" rights.

However, one need not even reach the equivalence prong – based on the "subject matter" prong alone, one must conclude that story idea contract claims should never be preempted under §301. Most courts find that this prong is easily satisfied, but this is an error. The subject matter of an idea submission claim is obviously the idea itself. The subject of matter of copyright is clearly expressed in section 102 of the Copyright Act, and it explicitly excludes ideas. Thus, it seems ludicrous for a court to hold that "the subject matter of the [contract] claim comes within the subject matter of the Copyright Act." By definition, the two are mutually exclusive. Any finding to the contrary seems to go against the plain language of the statute.

But courts are prepared to defend their position. They refer to the oft-cited Berge case from the Fourth Circuit, which said: "the shadow actually cast by the Act's preemption is notably broader than the wing of its protection." Essentially, this means that it is possible for the Copyright Act to preempt claims involving subject matter (i.e., ideas) that it does not protect. This may be acceptable in cases where the ideas are embodied in a fully copyrightable work, for the writer could still sue for copyright infringement. However, in other cases, this could lead to anomalous results. For example, suppose a writer submits a story idea in the form of a brief outline, which is not eligible for copyright protection. Imagine that an implied-in-fact contract is formed, and that the producer uses the idea for a film. The writer then sues for breach of contract, and the producer argues that the contract claim is preempted by section 301. Under Berge, the claim would be preempted; even though ideas are not within the subject matter of copyright for purposes of protection, they are for the purposes of preemption. But this would leave the writer without any remedy whatsoever – since he had only submitted a non-copyrightable outline, he would unable to sue for copyright infringement. Thus, in all cases where the submission itself does not qualify for copyright, a writer's idea would be wholly unprotected.

This cannot be the law. As discussed earlier, there are many reasons why ideas need to be protected, even when they are expressed in non-copyrightable form. Yet, decisions like Berge and

291. See Rokos, 182 Cal. App. 3d at 614, 227 Cal. Rptr. at 486.
292. See supra Part III(D).
294. 104 F.3d at 1463.
Selby leave writers vulnerable. If a writer completes a copyrightable script, his contract claim is preempted, and he can only sue for copyright infringement—a producer is free to steal his underlying ideas with impunity. If a writer submits a non-copyrightable treatment or outline, his contract claim is still preempted, but he has nowhere else to turn. Hence, if the Berge rationale continues to govern, it could indeed signal the demise of the law of ideas.

For these reasons, a contract claim involving ideas should not be preempted under section 301. However, there are legitimate purposes served by copyright preemption, and they should not be dismissed lightly. When Congress passed section 301, the goal was to establish national uniformity under the federal statute. To achieve this, Congress needed to abolish the state doctrines of “common law copyright,” in order to prevent states from granting rights equivalent to those found in the Copyright Act. Plaintiffs should not be able to do an “end run” around federal copyright law by suing on an identical state theory. Therefore, if a state law claim is essentially a copyright claim in disguise, it should be preempted in the interest of uniformity—even if it is based on a contract. The Selby court pointed this out with their insightful hypothetical:

Suppose... the defendant promised “I will not infringe any copyright or copyright protection in the script you are proposing to show me.” In that case, the very promise is so inextricably entwined with the copyright that to permit the promisee to sue upon it would undermine the preemption feature of the Copyright Act.

However, idea submission claims can never be disguised copyright claims. The nature of the harm is different—the alleged promise being sued on is not “I promise not to infringe your copyright,” but “I promise to pay if I use your idea.” If it were the former, then it would be a contract for the writer’s expression, which would clearly be “within the subject matter of the Copyright Act” and should be preempted. But, these contracts are for the ideas themselves, not for the expression of the ideas. It is possible for a producer to breach an idea contract without infringing the writer’s copyright. Thus, an idea submission plaintiff is not trying to do an

296. See 17 U.S.C. § 301 (notes of Committee on the Judiciary, House Report No. 94-1476 (1976)).
297. Id.
298. See ProCD, Inc., 86 F.3d 1447.
299. See 17 U.S.C. § 301 (Notes of Committee on the Judiciary, House Report No. 94-1476 (1976)).
300. See Selby, 96 F. Supp. 2d at 1060; supra Part III(D).
“end run” around copyright law – he is simply suing for a different wrong. If courts continue to erroneously preempt these claims under §301, this wrong will have no remedy.

V

Conclusion

Mark Dunn and Paramount Pictures eventually settled their lawsuit over The Truman Show.301 It is difficult to know for certain how a court would have resolved the idea submission claim presented in the case. Under current law, though, it is likely that Dunn would have lost. First, he would have needed to prove that an implied-in-fact contract was formed with Paramount when he submitted the script for Frank’s Life in the summer of 1992. Under Desny, this would require that Paramount accepted his script after Dunn had “clearly conditioned” his disclosure on a promise to pay. Dunn could argue that Paramount knew this condition because it was presented through an agent, and was already in commercial release as a play. If the court construed Desny strictly, though, this argument might be rejected. They might require a more explicit demand for compensation, like the one in Desny itself. Second, there would be no problem with novelty. If California law was applied, there would be no novelty requirement at all. If New York law applied, Nadel would have controlled. The idea for Frank’s Life was definitely novel to Paramount at the time they received it, for they did not obtain Truman from Andrew Niccol until over a year later. Frank’s Life probably would have even satisfied Murray’s more stringent requirement of general novelty.

The factual heart of this case would have been the third issue, breach. Even if Dunn could prove that an implied-in-fact contract existed, he would have needed to demonstrate that Paramount actually used his idea submission in the making of The Truman Show. Paramount would likely first argue that no one in a decision-making position had “access” to Dunn’s play. According to one studio official, the play was rejected by a low-level staff member.302 To counter this, Dunn could argue that Paramount did possess his script, so anyone may have seen it. Furthermore, someone may have seen

301. According to Dunn’s attorney, Carl Person, the terms of the settlement are confidential.
the review in the *New York Post*, and producer Scott Rudin was even invited to a performance of the play. Next, Paramount would contend that there are not enough similarities to support an inference of use. However, based on the allegations contained in the complaint, the similarities do appear to be substantial. Finally, Paramount would argue the defense of independent creation. Based on Niccol’s 1991 letters to his manager, they can claim that Niccol came up with the idea on his own. Assuming these letters are genuine, they could be the decisive facts – for if *Frank’s Life* was not used in the making of *Truman*, there could be no breach of contract.

Ultimately, though, there is a good possibility the court would never reach the issues of formation, novelty, and breach. Under the rationale of cases like *Berge* and *Selby*, Dunn’s idea submission claim might have been dismissed at the outset, on the grounds that it is preempted by the Copyright Act. Dunn, of course, did sue for copyright infringement, because his submission was a fully copyrighted script. But his abstract idea – the story of a man who is unaware that his life is a television show – would find no protection in the law.

Now suppose that courts adopt the recommendations discussed above. This would radically change the law governing idea submission claims, and it might affect the outcome of *Dunn v. Paramount Pictures*. First, and perhaps most importantly, Dunn’s contract claim would not be preempted. If §301 is properly interpreted, no story idea contract should ever be preempted, for their “subject matter” is distinct from that of copyright. Second, Dunn would easily be able to prove contract formation. Under the proposed modification of the *Desny* test, an implied-in-fact contract would have been formed when Paramount accepted the script for *Frank’s Life*. The play was submitted by an agent, so the studio was clearly put on notice that Dunn expected compensation if his idea was used. Since no release was used, Paramount was implicitly assenting to the agreement. As before, novelty would be a non-issue. *Frank’s Life* has enough details to definitely satisfy the minimal novelty requirement suggested; the idea was developed into a full-length script. Finally, the same factual issues regarding breach would remain. Though there seems to be “substantial similarity” between *Frank’s Life* and *The Truman Show*, the validity of the access and independent creation defenses would

303. *Id.*
304. *See supra* n. 41.
305. *See supra* Part I.
have to be determined by a jury. Thus, putting the factual issues aside, the analysis of Dunn's case would be significantly different if these changes were enacted. If there were no evidence of potential independent creation, they might even make the difference between Dunn winning and losing.

In sum, it is clear that the proposed changes would greatly increase the legal protection of ideas. They would eliminate the formidable obstacles currently imposed by federal preemption and the Desny test, allowing more plaintiffs to have their day in court. This would establish a regime that gives many writers the incentive to submit ideas, without having to fear that they will be stolen. At the same time, the proposed changes would maintain adequate safeguards for the interests of producers. By continuing to enforce releases, there would be no threat of frivolous litigation over unsolicited ideas. The novelty requirement would also act as a filter. The standard for determining breach would be slightly stiffer, and contains enough judicial discretion so that the judge can screen out claims that lack merit.

These changes might lead to more extensive use of express contracts for ideas. If producers knew that contracts were going to be implied, they may be inclined to make their terms explicit to maximize their control over the agreement. This would be beneficial to all involved. Writers would have solid proof of the producer's promise to pay, the contract would clearly set forth the degree of novelty required, and the parties can agree on what constitutes "use" of an idea. Courts would have a roadmap to follow in deciding idea submission cases, instead of having to imply everything. More importantly, the use of express contracts would likely result in more writers actually being compensated for their ideas, so there would no need for lawsuits in the first place.

In the end, the continued success of both the film and television industries depends on maximizing the free flow of creativity. After all, Hollywood is in the business of buying and selling ideas. The court in Desny said it best: "ideas are as free as the air . . . but there can be circumstances when neither air nor ideas may be acquired without cost." It is up to the law, guided by reason and prudent social policy, to determine precisely what these circumstances are. There is little

306. Of course, the terms of these express contracts would reflect the disparity in bargaining power between writers and producers. However, there is only so far that the definitions of "novelty" and "use" can be stretched. Also, if this did become a problem, courts could always declare the troubling contractual terms to be unconscionable.
307. 46 Cal. 2d at 731.
room for error; the wrong level of protection could result in many writers refusing to submit ideas or producers refusing to accept them. It is critical that the law guard against this – for a lack of ideas, just like a lack of air, would pose a dangerous threat to the survival of Hollywood.
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