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## The Law of Ideas: New York and California Are More Than 3,000 Miles Apart

Peter Swarth

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# The Law of Ideas: New York and California Are More Than 3,000 Miles Apart†

by  
PETER SWARTH\*

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## Introduction

As long as men have been able to think, the ideas they develop have been the subject of conflicting claims of ownership. Professor Melville Nimmer has traced the efforts to protect writings as the embodiment of ideas as far back as the First century A.D.<sup>1</sup> In the early development of English statutory copyright law,<sup>2</sup> ideas, like all personal thoughts, were regarded as the property of the author only so long as they remained exclusively in the author's mind, confined "like birds in a cage."<sup>3</sup> Thus,

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\* J.D., Loyola Law School, 1989. This Note was written during the author's final year of law school. Mr. Swarth is currently practicing law in the office of the Los Angeles County Public Defender. Mr. Swarth gives special thanks to Professor Lon Sobel of Loyola Law School.

1. Libbot, *Round the Prickly Pear: The Idea-Expression Fallacy in a Mass Communications World*, 14 UCLA L. REV. 735, 737 (1967) (citing 2 M. NIMMER, NIMMER ON COPYRIGHT § 166, 715 n.5 (1963)).

2. The Statute of Anne, 1710, 8 Anne ch. 19, was the first copyright statute. 1 M. NIMMER, NIMMER ON COPYRIGHT § 4.02[A], at 4-8 (1988).

3. *Millar v. Taylor*, 4 Burr. 2303, 2354-55, 98 Eng. Rep. 201, 229 (K.B. 1769) (Yates, J., dissenting).

the developing common law of copyright protected the author's work only up to the point of publication.

The desire of the author to own the product of his thinking conflicts with the larger societal need to encourage "progress of the arts and sciences through the building of one idea upon another,"<sup>4</sup> which might not occur in the absence of free circulation of ideas. Courts have long sought a balance between encouraging creativity of the individual author and making ideas available to all as the building blocks of progress. Justice Mansfield observed as follows:

[W]e must take care to guard against two extremes equally prejudicial; the one, that men of ability, who have employed their time for the service of the community, may not be deprived of their just merits, and the reward of their ingenuity and labour; the other, that the world may not be deprived of improvements, nor the progress of the arts be retarded.<sup>5</sup>

## I

### Protecting Ideas

In recognition of the importance of creative thought as the stimulus of progress, the framers of the Constitution granted Congress the power "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."<sup>6</sup> The first copyright legislation pursuant to this constitutional mandate was enacted in 1790,<sup>7</sup> and the most recent legislation was adopted in 1976.<sup>8</sup>

The current copyright statute would seem to be explicit enough to end the debate about idea protection by providing that "[i]n no case does copyright protection for an original work of authorship extend to any idea . . . regardless of the form in which it is described, explained, illustrated, or embodied in such work."<sup>9</sup> Yet, despite this unequivocal language, cases continue to arise in which litigants argue over the use of and compensation for ideas, reflecting an ongoing tension between the public interest in access to new ideas and the perceived injustice of allowing

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4. Note, *Beyond the Realm of Copyright: Is There Legal Sanctuary for the Merchant of Ideas?*, 41 BROOKLYN L. REV. 284, 284-85 (1974).

5. *Cary v. Longman*, 102 Eng. Rep. 138, 139-40 n.b (1785) (reprinting *Sayre v. Moore*).

6. U.S. CONST. art. I, § 8, cl. 8.

7. This law provided "for the encouragement of learning, by securing the copies of maps, charts, and books, to the authors and proprietors of such copies, during the times therein mentioned." 17 U.S.C.A. explanation, at VI (West 1977) (quoting Copyright Act of May 31, 1790, ch. 15, 1 Stat. 124).

8. 17 U.S.C. §§ 101-810 were enacted in 1976 and 17 U.S.C. §§ 901-914 were added in 1984 to protect semiconductor chip products. See generally 17 U.S.C. §§ 101-914 (1988).

9. *Id.* § 102(b).

someone to exploit commercially the ideas of others without compensation.

The result has been the development of a "law of ideas,"<sup>10</sup> a doctrine "which attempts to strike a middle ground between the comprehensive protection of copyright on the one hand, and the complete denial of any legal protection for ideas on the other."<sup>11</sup> In his original 1954 article,<sup>12</sup> and in subsequent editions of his renowned treatise on copyright law, Professor Nimmer described five theories upon which an idea seller could seek protection from the courts: literary property, quasi-contract, express contract, implied-in-fact contract, and confidential relationship.<sup>13</sup> Nimmer also distinguished between literary ideas, such as ideas for motion pictures, radio programs, and television shows "which upon development would become literary property and therefore copyrightable," and those ideas "which regardless of development could never be the subject of copyright," such as ideas for business methods or scientific devices.<sup>14</sup> Courts, however, have not distinguished the cases along these lines; instead, they generally apply the same requirements for protection to literary,<sup>15</sup> business,<sup>16</sup> and scientific ideas.<sup>17</sup>

There is no doubt, however, that this area of law has special significance to the entertainment industries, known for their "voracious appetite[s] for new ideas."<sup>18</sup> As a result, most of the significant litigation concerning the protection of ideas has occurred in the jurisdictions covering the two great centers of entertainment and media, New York and California. Yet, instead of developing a uniform set of standards to occupy the "middle ground," the courts in New York and California have taken positions diametrically opposed to each other.

Two recent cases highlight just how far apart New York and California are on this question. New York courts hold that an idea cannot find protection in the law, even if it is the subject of a contract, unless it is

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10. 3 M. NIMMER, NIMMER ON COPYRIGHT §§ 16.01 to -.08 (1986).

11. *Id.* § 16.01

12. Nimmer, *The Law of Ideas*, 27 S. CAL. L. REV. 119 (1954).

13. 3 M. NIMMER, *supra* note 10, §§ 16.02 to -.06.

14. Nimmer, *supra* note 12, at 123.

15. *See Murray v. National Broadcasting Co.*, 844 F.2d 988 (2d Cir. 1988), *cert. denied*, 109 S. Ct. 391 (1988), *Healey v. R.H. Macy & Co.*, 251 A.D. 440, 297 N.Y.S. 165 (1937), *aff'd*, 277 N.Y. 681, 14 N.E.2d 388 (1938).

16. *See Bristol v. Equitable Life Assurance Soc'y*, 132 N.Y. 264, 30 N.E. 506 (1892); *Soule v. Bon Ami Co.*, 201 A.D. 794, 195 N.Y.S. 574 (1922), *aff'd*, 235 N.Y. 609, 139 N.E. 754 (1923); *Educational Sales Programs, Inc. v. Dreyfus Corp.*, 65 Misc. 2d 412, 317 N.Y.S.2d 840 (N.Y. Sup. Ct. 1970).

17. *See Tele-Count Eng'rs, Inc. v. Pacific Tel. & Tel. Co.*, 168 Cal. App. 3d 455, 214 Cal. Rptr. 276 (1985).

18. 3 M. NIMMER, *supra* note 10, § 16.01, at 16-3.

the property of the party seeking the court's protection.<sup>19</sup> Proprietary interest is demonstrated by the idea's "novelty"<sup>20</sup> and "concreteness."<sup>21</sup> In *Murray v. National Broadcasting Co.*,<sup>22</sup> the Second Circuit reiterated New York's stand that an idea must be "novel" and "concrete" to be protectable. In California,<sup>23</sup> an author, whose work qualified for copyright protection, lost a copyright infringement claim because his work was nonfiction.<sup>24</sup> Yet, he was granted compensation for the defendant's use of the noncopyrightable, abstract idea embodied in his completed work because the court identified a confidential relationship between the parties and implied a contract regarding the idea.

Despite their apparent differences, the New York and California approaches to cases involving ideas share something very important: Both threaten the free flow of ideas necessary to the progress and development of the arts. The New York scheme offers only illusory protection to the "idea man," removing any incentive for him to divulge his idea. The California approach over-protects the idea discloser, thereby threatening to close off the markets which purchase such ideas, whether they are presented in the abstract or are embodied in copyrighted works.

The decisions by the Second Circuit in *Murray v. National Broadcasting Co.*,<sup>25</sup> and by the Ninth Circuit in *Landsberg v. Scrabble Crossword Game Players, Inc.*,<sup>26</sup> demonstrate how far the law has strayed from offering useful protection to idea creators and users. An examination of these two cases, of the requirements of "novelty" and "concreteness" as applied in New York, and the lack of such requirements in California, demonstrates the necessity for a new, more uniform approach to idea protection.

#### A. *Murray v. National Broadcasting Co.*

In 1980, Hwesu Murray, then working as a Unit Manager for NBC Sports, contacted an official of the network's programming department about his ideas for new programs.<sup>27</sup> This was not part of his regular,

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19. See *Downey v. General Foods Corp.*, 31 N.Y.2d 56, 286 N.E.2d 257, 334 N.Y.S.2d 874 (1972); *Bristol v. Equitable Life Assurance Soc'y*, 132 N.Y. 264, 30 N.E. 506 (1892); *Soule v. Bon Ami Co.*, 201 A.D. 794, 195 N.Y.S. 574 (1922), *aff'd*, 235 N.Y. 609, 139 N.E. 754 (1923).

20. *Downey*, 31 N.Y.2d at 61, 286 N.E.2d at 259, 334 N.Y.S.2d at 877.

21. See *Stone v. Marcus Loew Booking Agency*, 63 N.Y.S.2d 220, 221-22 (N.Y. Sup. Ct. 1946).

22. 844 F.2d 988 (2d Cir. 1988), *cert. denied*, 109 S. Ct. 391 (1988).

23. *Landsberg v. Scrabble Game Players, Inc.*, 802 F.2d 1193 (9th Cir. 1986).

24. See *infra* text accompanying notes 49-51.

25. 844 F.2d 988 (2d Cir. 1988), *cert. denied*, 109 S. Ct. 391 (1988).

26. 802 F.2d 1193 (9th Cir. 1986).

27. *Murray*, 844 F.2d at 990.

salaried duties. The official suggested that he put his ideas in writing and submit them to the department.<sup>28</sup> When Murray submitted his written proposal, he told the NBC official that he was doing so in confidence and that if they were used, he expected to be executive producer of the programs and to be financially compensated for his efforts.<sup>29</sup> One of these ideas was a situation comedy about a black middle class family entitled *Father's Day*.<sup>30</sup>

After seeing the first submission, the NBC official suggested that Murray "flesh out" his *Father's Day* proposal and submit it to a vice-president in the network programming division.<sup>31</sup> The subsequent expansion of his idea included the suggestion that the role of the father be played by Bill Cosby.<sup>32</sup> The NBC vice-president subsequently returned the submission, informing Murray that NBC was not interested in pursuing development of the idea at that time.<sup>33</sup>

When *The Cosby Show* debuted on NBC in 1984, Murray recognized his idea and launched a suit against NBC, asserting that NBC had violated his property rights in his program idea, that NBC was in breach of an implied-in-fact contract to pay him for the use of the idea, and that NBC had been unjustly enriched by the use of his idea.<sup>34</sup>

NBC moved for summary judgment on the grounds that plaintiff's idea was neither "novel" nor "concrete," and that under New York law the plaintiff would be unable to obtain any recovery for an idea which lacked those requirements.<sup>35</sup> The district court granted the motion, agreeing with the defendants that the idea which Murray had submitted had been in circulation for a long time<sup>36</sup> and was merely a new combination of several ideas which had been used many times before in television comedies.<sup>37</sup> As such, there was insufficient novelty in the plaintiff's idea with which the court could find a property right for the plaintiff. Citing the New York Court of Appeals' declaration in *Downey v. General Foods Corp.*,<sup>38</sup> the district court reiterated that "the lack of novelty of an idea is

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28. *Id.*

29. *Id.*

30. *Id.*

31. *Id.*

32. *Id.*

33. *Id.*

34. *Murray v. National Broadcasting Co.*, 671 F. Supp. 236, 238-39 (S.D.N.Y. 1987), *aff'd*, 844 F.2d 988 (2d Cir. 1988), *cert. denied*, 109 S. Ct. 391 (1988) (plaintiff also alleged violations of his right to freely contract pursuant to the federal Civil Rights Act, 42 U.S.C. § 1981).

35. *Id.* at 239.

36. *Id.* at 241 (court noted a newspaper interview Bill Cosby gave in 1965, in which he outlined a similar idea).

37. *Id.* at 244.

38. 31 N.Y.2d 56, 286 N.E.2d 257, 334 N.Y.S.2d 874 (1972).

fatal to any cause of action based on the use of that idea."<sup>39</sup> The appellate court upheld the decision of the district court.<sup>40</sup>

**B. *Landsberg v. Scrabble Crossword Game Players, Inc.***

The most recent statement of the law regarding protection of ideas in California followed a more circuitous route than *Murray*, resulting in a decision which found protection for plaintiff's abstract idea, apart from its copyrightable expression.<sup>41</sup>

In *Landsberg*, Mark Landsberg brought suit for copyright infringement and breach of implied-in-fact contract after the defendants published a book very similar to a transcript of his Scrabble strategy game book, which he had submitted to them.<sup>42</sup> Landsberg was the acknowledged champion of the Scrabble Crossword Game in Southern California when he decided to write a book describing his strategies for winning the famous board game.<sup>43</sup> In order to avoid a possible suit for trademark infringement by the game's manufacturer, Selchow and Righter Co., Landsberg wrote to the company, informing them of his plan and requesting the use of the Scrabble trademark in his title.<sup>44</sup> The company responded with a request to view the manuscript for evaluation.<sup>45</sup>

Although Selchow and Righter had been planning on publishing such a book of its own, it had not yet developed anything of substance.<sup>46</sup> The company then entered into negotiations with Landsberg for the rights to his manuscript and had one of its own game experts evaluate it.<sup>47</sup> When the negotiations broke down, Landsberg demanded his manuscript back. Shortly thereafter, Selchow and Righter published its own Scrabble strategy book, which was similar to Landsberg's work, although not an exact copy.<sup>48</sup>

In the first trial, the court found that there was sufficient proof of both access and substantial similarity to find that the defendants had infringed the plaintiff's copyright.<sup>49</sup> On appeal, however, the trial court's

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39. *Murray v. National Broadcasting Co.*, 671 F. Supp 236, 239 (S.D.N.Y. 1987), *aff'd*, 844 F.2d 988 (2d Cir. 1988), *cert. denied*, 109 S. Ct. 391 (1988).

40. *Murray v. National Broadcasting Co.*, 844 F.2d 988 (2d Cir. 1988), *cert. denied*, 109 S. Ct. 391 (1988).

41. *Landsberg v. Scrabble Crossword Game Players, Inc.*, 802 F.2d 1193 (9th Cir. 1986).

42. *Landsberg v. Scrabble Crossword Game Players, Inc.*, 736 F.2d 485 (9th Cir. 1984), *cert. denied*, 469 U.S. 1037 (1984).

43. *Id.* at 486.

44. *Id.*

45. *Id.*

46. *Id.* at 487.

47. *Id.*

48. *Id.*

49. *Id.*

decision was overturned on the basis that the nonfiction character of Landsberg's work required virtual word-for-word copying in order to be infringed.<sup>50</sup> The court noted that in the case of factual works, "similarity of expression may have to amount to verbatim reproduction or very close paraphrasing before a factual work will be deemed infringed."<sup>51</sup>

However, because the trial court had not made a finding on plaintiff's breach of implied-in-fact contract claim, the case was remanded for a new trial.<sup>52</sup> On remand, the trial court entered a judgment for the plaintiff on his contract claim, on the basis that the initial disclosure of the manuscript had been in confidence and that, given plaintiff's expressed intention of marketing his book for commercial advantage, any use by defendant was conditioned upon payment.<sup>53</sup>

Essentially, Landsberg was unable to protect the copyrighted expression of his idea, but was able to protect the idea itself through an implied contract. This is the very result which copyright laws are designed to avoid.<sup>54</sup> The irony is that while the court was denying copyright protection to Landsberg's book because the particular genre required that it use a very narrow application of the substantial similarity test, the contract claim was successful because in California "novelty" is irrelevant in an action seeking recovery for the use of an idea disclosed pursuant to a contract.

In comparing *Murray* and *Landsberg*, a strong contrast between the approaches of New York and California courts to the protection of ideas is revealed. The New York courts will not allow protection for an idea which is not "novel" and "concrete." The current definition and application of these terms effectively removes ideas from the universe of legal protections. California, on the other hand, has now advanced protection for abstract ideas to a level almost equal to that offered to the copyrightable expressions of ideas. Yet, despite these differences, both approaches threaten to result in a more restricted flow of ideas to the marketplace.

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50. *Id.* at 488.

51. *Id.*

52. *Id.* at 491.

53. *Landsberg v. Scrabble Crossword Game Players, Inc.*, 802 F.2d 1193, 1196-97 (9th Cir. 1986).

54. 17 U.S.C. § 102(b) (1988). Many courts have repeated the axiom that copyright only protects the author's expression of ideas, not the ideas themselves. *See, e.g.*, *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930); *Desny v. Wilder*, 46 Cal. 2d 715, 299 P.2d 257 (1956); *Weitzenkorn v. Lesser*, 40 Cal. 2d 778, 256 P.2d 947 (1953); *Fendler v. Morosco*, 253 N.Y. 281, 171 N.E. 56 (1930).

## II

### Novelty and Concreteness in Idea Cases

"Novelty" and "concreteness" are two terms New York courts have adopted to measure an idea's protectability. However, because of the way courts have used them, they are no longer effective measures of protectability. Instead, they serve as complete barriers to idea protection.

#### A. "Concreteness"

Although many cases have declared that an idea is not protectable if it is not "concrete," few have taken the trouble to express a definition of the term. While some cases use "concreteness" as a level of conceptual development, others use it merely to mean a tangible expression of the idea, similar to that required by copyright law. Even more often, courts seem to straddle the fence between the two.

In *Stone v. Marcus Loew Booking Agency*,<sup>55</sup> the court said that "an idea which never takes concrete form at the time of disclosure, even if novel, is not the subject of a property right or of contract."<sup>56</sup> In *Carneval v. William Morris Agency*,<sup>57</sup> the trial court held that the plaintiff could not successfully prosecute a case for quasi-contractual relief unless he proved "independent creation of a new, novel, unique idea or a combination of ideas reduced to concrete form."<sup>58</sup> In both of these cases, the courts seemed to require only a "written expression" of the idea in question.

In *Healey v. R.H. Macy & Co.*,<sup>59</sup> the plaintiff successfully sued on a theory of implied contract to recover the value of advertising slogans and ideas submitted to the defendant. The defendant had used the slogan, "A Macy Christmas Means a Happy New Year." Yet, in *Bailey v. Haberle Congress Brewing Co.*,<sup>60</sup> a case with similar facts, the court denied the plaintiff's implied contract claim arising from defendant's use of the slogan "Neighborly Haberle" which the plaintiff claimed to have submitted. The difference between the two cases was that "[i]n the *Macy* case . . . plaintiff submitted to defendant not merely a slogan, but a full and complete advertising plan in writing, featuring the slogan, with drawings and sketches, and 200 words of carefully phrased advertising material."<sup>61</sup>

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55. 63 N.Y.S.2d 220 (N.Y. Sup. Ct. 1946).

56. *Id.* at 222.

57. 124 N.Y.S.2d 319 (N.Y. Sup. Ct. 1953), *aff'd*, 284 A.D. 1041, 187 N.Y.S.2d 612 (1954).

58. *Id.* at 320.

59. 251 A.D. 440, 297 N.Y.S. 165 (1937), *aff'd*, 277 N.Y. 681, 14 N.E.2d 388 (1938).

60. 193 Misc. 723, 85 N.Y.S.2d 51 (Syracuse Mun. Ct. 1948).

61. *Id.* at 726, 85 N.Y.S.2d at 53.

The vagueness which plagues the use of "concreteness" is evident in that it is not clear whether the *Bailey* court viewed the writing submitted in *Healey* as simply a tangible expression of the plaintiff's idea, or as a fully developed concept. Regardless, the courts' approval of protection in *Healey* and denial in *Bailey* are inconsistent since the only thing used by either defendant was the slogan.<sup>62</sup>

If "concreteness" stands for a particular level of development, there is a problem in identifying what that level is. At what point is an idea "concrete"? One line of analysis, the "immediate use" theory, holds that an idea is "concrete" when "it has been developed to the point where it is ready for immediate use without any embellishment."<sup>63</sup> Yet, as Professor Nimmer has noted, "If we think of an idea as a 'conception, . . . a preliminary plan,' then surely to speak of an idea developed to the point where it is ready for use presents a contradiction in terms since if an idea is so developed it ceases to be merely an idea."<sup>64</sup>

A second line of analysis, which relies on the "elaborated idea"<sup>65</sup> standard, is less concerned with specific levels of development. This approach seems more appropriate for cases where a plaintiff has divulged an idea which the defendant has managed to exploit. This theory asks, "Could the interpreter have produced the finished article, the end product, if the author had not produced the elaborated idea?"<sup>66</sup>

## B. "Novelty"

"Novelty" as a requirement for idea protection appears to have two distinct, yet related, applications. First, it is a measurement of an idea's value as consideration for an exchange. As a corollary, the idea must be the property of the plaintiff in order to be consideration.

In *Soule v. Bon Ami Co.*,<sup>67</sup> the court articulated the argument that an idea which was not "novel" could not have any value as consideration. The plaintiff had offered to reveal to the defendant company an idea that would result in increased profits for the company, in return for a fifty percent share of the increase.<sup>68</sup> His idea was for defendant to raise the wholesale price of its product in such a way as would not decrease retail sales.<sup>69</sup> The court refused to enforce plaintiff's claim based upon an express contract because, although "[t]he plaintiff did tell the defend-

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62. 3 M. NIMMER, *supra* note 10, § 16.08[A], at 16-55.

63. *Id.* at 16-52.

64. *Id.* at 16-53.

65. Note, *supra* note 4, at 290.

66. *Id.*

67. 201 A.D. 794, 195 N.Y.S. 574 (1922), *aff'd*, 235 N.Y. 609, 139 N.E. 754 (1923).

68. *Id.* at 795, 195 N.Y.S. at 575.

69. *Id.*

ant a method by which its profits could be increased, . . . it was not valuable information, in the respect that it was new or novel.”<sup>70</sup> Therefore, “the evidence did not show any consideration for the defendant’s agreement to pay the plaintiff one-half of its increased profits.”<sup>71</sup>

Many cases have declared that idea protectability is dependent upon a proprietary interest in the idea on the part of the plaintiff,<sup>72</sup> even when the plaintiff’s claim is based on an alleged contract.<sup>73</sup> “Novelty” is the standard applied to prove this property interest. The contention is that if the idea is not in some way unique to the plaintiff, it is not his property and, therefore, not valuable consideration. Thus, in *Downey v. General Foods Corp.*,<sup>74</sup> the New York Court of Appeals declared that:

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.<sup>75</sup>

When courts require that an idea must be “novel” in order to find protection, the meaning is not always clear. The *American Heritage Dictionary* defines “novel” as, among other things, “strikingly new,” “unusual” or “different.”<sup>76</sup> Often, “novelty” is invoked in conjunction with the term “original.”<sup>77</sup> Rather than identifying the creator, however, this use seems to be an attempt to require an idea to be unique,<sup>78</sup> a standard which is virtually impossible to achieve.<sup>79</sup>

It would seem sufficient that the idea be required to be “novel” vis-a-vis the defendant. A plaintiff must offer sufficient proof of an agreement for him before revealing the idea. Then, “even if the idea originated with persons other than the plaintiff, and had been known prior to disclosure, if the defendant first learns of the idea by plaintiff’s

70. *Id.* at 796, 195 N.Y.S. at 576.

71. *Id.* at 797, 195 N.Y.S. at 576.

72. See *Downey v. General Foods Corp.*, 31 N.Y.2d 56, 286 N.E.2d 257, 334 N.Y.S.2d 874 (1972); *Ed Graham Prods. v. National Broadcasting Co.*, 75 Misc. 2d 334, 347 N.Y.S.2d 766 (N.Y. Sup. Ct. 1973); *Bailey v. Haberle Congress Brewing Co.*, 193 Misc. 723, 85 N.Y.S.2d 51 (Syracuse Mun. Ct. 1948).

73. See *Stone v. Marcus Loew Booking Agency*, 63 N.Y.S.2d 220 (N.Y. Sup. Ct. 1946); *Cole v. Phillips H. Lord, Inc.*, 262 A.D. 116, 28 N.Y.S.2d 404 (1941).

74. 31 N.Y.2d 56, 286 N.E.2d 257, 334 N.Y.S.2d 874 (1972).

75. *Id.* at 61, 286 N.E.2d at 259, 334 N.Y.S.2d at 877.

76. THE AMERICAN HERITAGE DICTIONARY OF THE ENGLISH LANGUAGE 898 (New College ed. 1975).

77. 3 M. NIMMER, *supra* note 10, § 16.08[B], at 16-58 to -59.

78. *Id.*

79. This is particularly so in the area of dramatic literature, where it has been said that there are only thirty-six possible dramatic plots. See *Desny v. Wilder*, 46 Cal. 2d 715, 741, 299 P.2d 257, 271 (1956) (citing G. POLTI, THE THIRTY-SIX DRAMATIC SITUATIONS (1954)).

disclosure," there would be sufficient grounds to hold the defendant to his promise to pay.<sup>80</sup>

Some courts have been willing to acknowledge that "novelty" may be found in a new combination of old ideas.<sup>81</sup> However, a federal district court in New York recited that

the fact that a plaintiff's idea "embodies elements long in use does not of itself negate originality or novelty[.]" . . . [I]n order to be protectable, adaptations of ideas must[] "show genuine novelty and invention, and not a merely clever or useful adaptation of existing knowledge[.] . . . [T]he judicious use of existing means or the mixture of known ingredients in somewhat different proportions—all the variations on a basic theme—partake more of the nature of elaboration and renovation than innovation."<sup>82</sup>

In *Murray*, the plaintiff offered evidence of the defendant's own belief that the idea for a situation comedy featuring a black family was "novel." He pointed to the contract between NBC and Carsey-Werner, the producers of *The Cosby Show*, which stated that Carsey-Werner's failure to perform would "cause NBC irreparable loss of a unique, intellectual property."<sup>83</sup> In his deposition, NBC President Brandon Tartikoff described *The Cosby Show* as "add[ing] a new and unique dimension to the American television family program genre."<sup>84</sup> Bill Cosby also testified that "he would agree with a description of *The Cosby Show* as unique, novel and a breakthrough in television programming."<sup>85</sup>

Yet the court rejected these assertions of "novelty" to find that "plaintiff's proposal merely combined two ideas which had been circulating in the industry for a number of years—namely, the family situation comedy, which was a standard formula, and the casting of black actors in nonstereotypical roles for which the television industry recognized a need."<sup>86</sup>

The incredibly high threshold for protection required by New York was long ago renounced by the California courts. In *Desny v. Wilder*,<sup>87</sup>

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80. 3 M. NIMMER, *supra* note 10, § 16.08[B] at 16-62 to -63.

81. *Baut v. Pethick Constr. Co.*, 262 F. Supp 350, 361 (M.D. Pa. 1966); *see Murray v. National Broadcasting Co.*, 671 F. Supp. 236, 243 (S.D.N.Y. 1987), *aff'd*, 844 F.2d 988 (2d Cir. 1988), *cert. denied*, 109 S. Ct. 391 (1988); *McGhan v. Ebersol*, 608 F. Supp. 277, 286 (S.D.N.Y. 1985); *Educational Sales Programs v. Dreyfus Corp.*, 65 Misc. 2d 412, 416, 317 N.Y.S.2d 840, 844 (N.Y. Sup. Ct. 1970).

82. *McGhan*, 608 F. Supp. at 286 (citations omitted) (quoting both *Baut v. Pethick Constr. Co.*, 262 F. Supp. 350, 361 (M.D. Pa. 1966) and *Educational Sales Programs v. Dreyfus Corp.*, 65 Misc. 2d 412, 416, 317 N.Y.S.2d 840, 844 (N.Y. Sup. Ct. 1970), respectively).

83. *Murray*, 671 F. Supp. at 240.

84. *Id.*

85. *Id.*

86. *Id.* at 241.

87. 46 Cal. 2d 715, 299 P.2d 257 (1956).

the California Supreme Court discussed the use of "novelty" as a standard for protectability, stating as follows:

Certainly it must be recognized that a literary composition does not depend upon novelty of plot or theme for the status of "property" if it is entitled to that status at all. The terms "originality" and "novelty" have often been confused, or used without differentiation, or with meanings which vary with different authorities. We therefor [sic] suggest the sense in which we use them. A literary composition may be original, at least in a subjective sense, without being novel. To be original it must be a creation or construction of the author, not a mere copy of another's work. The author, of course, must almost inevitably work from old materials, from known themes or plots or historical events, because, except as knowledge unfolds and history takes place, there is nothing new with which to work. But "creation," in its technical sense, is not essential to vest one with ownership rights in intellectual property. Thus, a compiler who merely gathers and arranges, in some concrete form, materials which are open and accessible to all who have the mind to work with like diligence is as much the owner of the result of his labors as if his work were a creation rather than a construction.<sup>88</sup>

Under the reasoning expressed in *Desny*, Murray would not be automatically disqualified from copyright protection simply because elements of his idea had been used before.

Notwithstanding the fact that the application of "concreteness" is vague and that "novelty" is too far beyond "originality" to be achieved, the New York approach mixes incompatible concepts by requiring a "property" interest in an idea which is to be the subject of a contract. Dissenting in the California Supreme Court's decision in *Stanley v. Columbia Broadcasting System*,<sup>89</sup> Justice Traynor argued succinctly:

The policy that precludes protection of an abstract idea by copyright does not prevent its protection by contract. 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 (citations omitted). Unlike a copyright, a contract creates no monopoly; it is effective only between the contracting parties; it does not withdraw the idea from general circulation. Any person not a party to the contract is free to use the idea without restriction.<sup>90</sup>

Moreover, as the California court noted in *Chandler v. Roach*,<sup>91</sup> the requirement of a "property" interest in an idea is undesirable because, "When the action is on a contract theory and this test is invoked the

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88. *Id.* at 741-42, 299 P.2d at 271-72.

89. 35 Cal. 2d 653, 221 P.2d 73 (1950).

90. *Id.* at 674, 221 P.2d at 85 (Traynor, J., dissenting).

91. 156 Cal. App. 2d 435, 319 P.2d 776 (1957).

court is using it as part of a process which was specifically developed to avoid the consequences of the test."<sup>92</sup>

The New York approach creates a separate, lower status for idea vendors, as opposed to purveyors of any other type of product. Only "idea men" must have their product regularly subjected to examination regarding its value as consideration. But, as held by California courts, "Their status should be identically the same as that of any other person in any other implied-in-fact contract situation. In other words, the courts should not engraft to the requirements . . . something which neither party has contemplated and which is not a requirement in any other form of implied-in-fact contract."<sup>93</sup>

"Novelty" is not an implied requirement in a contract for any other type of service or product. For example, when NBC asks one of its suppliers to show pencils for sale, and uses one of them, it cannot deny the contract to pay for its use on the ground that a pencil can be gotten anywhere. However, NBC asked Murray to show his product, and then, having used it,<sup>94</sup> sought to deny responsibility to pay for it on the basis that this product could be gotten elsewhere.

The inevitable result of the New York approach, which denies even contractual protection to idea purveyors, forces them to decline to show their wares to anybody for fear that they will have no recourse when their ideas are stolen from them. Certainly, this result is not in the interest of promoting progress through the free flow of ideas.

### III

#### Problems in the California Approach to Idea Protection

The California approach to idea protection, having no requirement of "novelty" or "concreteness," provides a much more favorable environment for the "idea man." Instead of judging an idea by its value offered as consideration, the courts can concentrate on the existence of a contractual relationship, or lack thereof. However, the apparent willingness to take a liberal view toward the subject of agreements, as in *Landsberg v. Scrabble Crossword Game Players, Inc.*,<sup>95</sup> threatens to tip the balance of the law so much in favor of idea sellers that it endangers the existence of the markets which buy their products.

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92. *Id.* at 444, 319 P.2d at 782 (quoting Case Notes, 26 S. CAL. L. REV. 459-61 (1952)).

93. *Id.* at 443, 319 P.2d at 782.

94. Although NBC's use of the plaintiff's idea was never proved, for the purpose of the defendants' summary judgment motion the court "assumed that defendants used plaintiff's idea." *Murray v. National Broadcasting Co.*, 671 F. Supp. 236, 239 (S.D.N.Y. 1987).

95. 802 F.2d 1193 (9th Cir. 1986).

California courts have taken an expansive approach to finding agreements between plaintiffs and defendants in idea cases. In *Desny v. Wilder*,<sup>96</sup> the court stated that

if a producer is not commercially soliciting, and is not willing to accept an obligation to pay for valuable ideas, or for compositions adapting and implementing them, which ideas and compositions are offered to be conveyed only upon the assumption of such an obligation, he does not need to read manuscripts which he knows are submitted on those terms.<sup>97</sup>

However, contracts are only found "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."<sup>98</sup> On that basis, the court declined to find a contract in *Faris v. Enberg*,<sup>99</sup> where the plaintiff disclosed the idea to the defendant in an attempt to hire Enberg as an employee in the production of his game show idea, not as part of an effort to sell the idea to defendant. But when the court believes it fair to impute knowledge of the plaintiff's purpose to a defendant, a contract will generally be implied.<sup>100</sup>

If courts are liberally construing the requirements for implying contracts, the next issue must be to find the subject of the alleged agreements. In *Ware v. Columbia Broadcasting System*,<sup>101</sup> the court declined to find a contract for the sale of an idea based upon plaintiff's submission of a completed script to defendant. In that case, plaintiff sued for plagiarism and breach of contract based on the defendant's presentation of a play on its *Twilight Zone* which plaintiff claimed was similar to his own.<sup>102</sup> The plagiarism claim failed for lack of sufficient similarity between the two completed plays.<sup>103</sup>

As to the contract claim, the court noted the following:

Plaintiff here attached to his complaint not a mere synopsis but a complete dramatic work. The complaint alleges that he submitted it to defendant "with the express oral understanding and agreement that in the event plaintiff's said literary property was thereafter used or telecast by said defendants, or any of them, in whole or in part, defendants would pay plaintiff the reasonable value of such use or telecast." . . .

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96. 46 Cal. 2d 715, 299 P.2d 257 (1956).

97. *Id.* at 743, 299 P.2d at 273.

98. *Id.* at 739, 299 P.2d at 270.

99. 97 Cal. App. 3d 309, 158 Cal. Rptr. 704 (1979).

100. See *Blaustein v. Burton*, 9 Cal. App. 3d 161, 182, 88 Cal. Rptr. 319, 333 (1970); *Minnear v. Tors*, 266 Cal. App. 2d 495, 502, 72 Cal. Rptr. 287, 293 (1968); *Chandler v. Roach*, 156 Cal. App. 2d 435, 440-41, 319 P.2d 776, 780 (1957).

101. 253 Cal. App. 2d 489, 61 Cal. Rptr. 590 (1967).

102. *Id.* at 490, 61 Cal. Rptr. at 591.

103. *Id.* at 494, 61 Cal. Rptr. at 594.

Plaintiff does not allege that the parties contracted with respect to any idea, synopsis, or format.<sup>104</sup>

Because the defendant was not found to be aware that the plaintiff intended to sell the underlying idea, if not the full script, no contract for its purchase could be implied.

In other cases where the courts have found a contract for an idea, it was clear that both parties had considered the idea as the subject of the submission, not literary property.<sup>105</sup> But the Ninth Circuit's decision in *Landsberg*<sup>106</sup> turned this traditional notion of consensual contract upside down.

Like the plaintiff in *Ware*, *Landsberg* submitted his completed manuscript to the defendant.<sup>107</sup> The negotiations for sale between the two parties concerned only the purchase by the defendant of the plaintiff's completed work,<sup>108</sup> not the underlying idea of Scrabble strategy. Yet the court allowed a contract to be implied, covering only the purchase of the abstract idea embodied in the completed literary property.<sup>109</sup>

The danger in such an approach should be immediately obvious. Any time a script or other copyrightable piece of work is submitted for possible sale, the underlying ideas would be included as part of the offer. In order to avoid litigation, prospective buyers who view material for purchase must now be careful to avoid both copying the seller's finished work and creating a new work based upon a similar idea. A court could find that by viewing the work in question for possible purchase, the buyer also agreed to purchase the underlying ideas contained in that work. Buyers, consequently, will decline to view any works for fear that a seller's work may contain ideas which the buyer may use in another context.

In this respect, the California courts' rejection of "novelty" and "concreteness" as measures of the idea itself becomes significant. If courts are going to hold prospective purchasers liable for the ideas contained in a submitted work, in addition to the work itself, then there ought to be some method available by which the idea can be associated with the work in question and with the person making the submission.

Presently, a plaintiff need only allege grounds for finding a contract and that the idea used by the defendant is similar to the idea in the plain-

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104. *Id.*

105. See *Kurlan v. Columbia Broadcasting System*, 40 Cal. 2d 799, 256 P.2d 962 (1953); *Blaustein v. Burton*, 9 Cal. App. 3d 161, 88 Cal. Rptr. 319 (1970).

106. 802 F.2d 1193 (9th Cir. 1986).

107. *Id.* at 1195-96.

108. *Id.* at 1196.

109. *Id.* at 1197.

tiff's work.<sup>110</sup> With no requirement that an idea be "novel," a purchaser may be virtually defenseless when the author whose script is read, but not purchased, sues because the buyer turned out a product based on a similar idea to that of the plaintiff. This dispute could result whether or not the defendant actually used the idea from the plaintiff's work.

Ultimately, however, it will be the writers and other idea purveyors who will suffer: They will find it increasingly difficult to have their works examined for possible sale because a reading of their completed scripts may subject readers to an obligation to pay for any ideas within, even if the script itself is not used.

#### IV

### Conclusion: A Workable Alternative

Both the California and New York approaches to idea cases threaten the development of artistic and scientific progress. New York's standards for approving contracts for ideas are virtually unreachable, providing a distinct advantage to idea buyers over idea sellers. The "idea man" runs a genuine risk that any attempts to acquire assistance in the full development of his idea, by contracting for its divulgence, will result in the complete loss of any rights to profit from that idea. In California, the emphasis on implied contract, with no minimum standard as to the subject of the contract, places potential purchasers at risk of being sued every time a finished script is read.

There must be a middle ground that can work in both places for the two parties to idea transactions. The key is to marry the best aspects of each jurisdiction's approach, while dropping those which are most responsible for the dangers currently presented.

Essentially, theories of property and proprietary interests in ideas should be deleted from the law in New York in favor of a broader application of contract principles, as in California. At the same time, standards of "novelty" and "concreteness" should be applied to ideas which become the subjects of litigation as a means of identifying the idea used as being the one which was originally bargained for. "Novelty" and "concreteness" could then be successfully applied to idea cases in much the same way that the twin measures of access and substantial similarity apply to copyright cases.

"Novelty," like access, can refer to the availability of the idea in the world at large. If the idea is one which is very common, such as "a family situation comedy," then its novelty factor would be considered

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110. See, e.g., *Desny v. Wilder*, 46 Cal. 2d 715, 299 P.2d 257 (1956); *Blaustein v. Burton*, 9 Cal. App. 3d 161, 88 Cal. Rptr. 319 (1970).

low. A very unusual idea, such as "a family situation comedy about a family visited by an extraterrestrial," would be evaluated as more novel. The goal is to give more favorable treatment to those ideas in which the plaintiff's original contribution is more apparent.

"Concreteness" should measure the level of development, both physical and conceptual, which an idea has reached. A writing would contribute to a finding of more "concreteness" but should not be conclusive. The "elaborated idea" standard examined previously would be the most suitable measure, because it requires an examination of whether the finished product embodying the idea could have been produced without the idea as it was provided by the plaintiff.

These two criteria, "novelty" and "concreteness," could then be applied in inverse ratio to each other. As the level of "novelty" of an idea increases, the amount of "concrete" development of the idea necessary to find for the plaintiff would decrease.

It is important to remember that, although Professor Nimmer urges that the consideration for a contract on an idea is the act of disclosure,<sup>111</sup> the idea itself is really the object of the contract. If the parties were contracting simply for the service of disclosure, then payment would be demanded upon completion of that act, not predicated on use of the idea.

The approach recommended here recognizes this. The idea purveyor can feel confident that he may freely and safely contract for the sale of his product while protecting prospective buyers from spurious claims of infringement and breach of contract. Both of these concerns must be addressed if the law of ideas is going to promote progress, not impede it.

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111. 3 M. NIMMER, *supra* note 10, § 16.04[A], at 16-19.

