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The Winning Word for Scrabble Champion Is Contract

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THE WINNING WORD FOR SCRABBLE CHAMPION IS "CONTRACT"

When Mark Landsberg thought his book on Scrabble strategy had been wrongfully copied by the makers of the game, he responded with a seven-letter word—LAWSUIT. In *Landsberg v. Scrabble Crossword Game Players, Inc.* ("Landsberg I"), the Ninth Circuit found against Landsberg, holding that a factual work will not be deemed infringed unless the similarity of expression in the second work is a near verbatim reproduction. Two years later in the same case on appeal for different issues ("Landsberg II"), the Ninth Circuit found that an implied contract had been formed to pay for Landsberg’s idea and breached because there was use of the idea, and its initial disclosure had been made in confidence. Landsberg had shown that he was not just playing games.

Plaintiff Landsberg, “Scrabble Champion of Southern California,” wrote a manuscript explaining his system for winning at Scrabble. Landsberg intended to publish his work and requested permission from defendant Selchow & Righter ("S & R"), producer of Scrabble, to use the Scrabble trademark. In response, S & R asked for a copy of the manuscript for evaluation, which Landsberg submitted. A short time later S & R contacted Landsberg, again asking for a second copy, claiming that the first had been misplaced. When the second manuscript arrived, it was forwarded to Michael Senkiewicz, an S & R editor, who was working on updating a previous book on Scrabble. Senkiewicz was impressed with

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3. *Landsberg v. Scrabble Crossword Game Players, Inc.*, 802 F.2d 1193 (9th Cir. 1986) [hereinafter *Landsberg II*].

4. *Id.* at 1197.

5. *Landsberg I*, 736 F.2d at 486.


8. *Landsberg facts*, 212 U.S.P.Q. at 161. The earlier work entitled, “How to Win at Scrabble,” had been published through S & R in 1953 and was outdated. It was to be used as a model by Senkiewicz because he had no previous authorship experience. After comparing the
the work, having never seen a notation system developed for Scrabble before. Senkiewicz reported to S & R that the work was excellent. S & R began negotiating with Landsberg for the rights to his manuscript. The negotiations lasted several months during which time S & R never made an offer satisfactory to Landsberg. Finally, Landsberg demanded the return or destruction of all copies of his work. S & R appeared to comply but secretly allowed Senkiewicz to keep a copy of the manuscript. After negotiations with Landsberg terminated, S & R contracted with Senkiewicz to produce a Scrabble strategy book. A short time later, S & R released the handbook. It included a version of a notational system for playing the game similar to Landsberg's.

Landsberg sued S & R, Scrabble Crossword Game Players, Inc., a subsidiary, and Crown Publishers ("the defendants") in Los Angeles Superior Court for infringement of common-law copyright and breach of implied contract. The defendants removed the case to federal court based on diversity jurisdiction. The district court found that S & R had works, the trial court held that the earlier work was of no help to Senkiewicz in establishing the format or substance of his book whereas Landsberg's book closely paralleled Senkiewicz's work. Notational systems have long been used for games such as chess or backgammon and are in the public domain. What the trial court found relevant was that no notational system or anything of substance was developed until after Landsberg's manuscript arrived. Landsberg, 212 U.S.P.Q. at 155.

During depositions, key people in S & R testified that Landsberg's notational system was "garbage." At trial, however, Senkiewicz testified that the written work was excellent and meritorious. The district court found the denials of excellence to be unbelievable. Appellee's Brief at 13, Landsberg 1, 736 F.2d 485 (9th Cir. 1984).

The court found this was a bad faith tactic to keep Landsberg dangling while S & R readied its book. Landsberg I, 736 F.2d at 487. The contract included an outline for the proposed book that the district court found had been copied from Landsberg's manuscript. Id.

S & R's notational system was alpha-numeric whereas Landsberg's system used symbols. The court did not find the two systems identical, but that S & R imitated the idea of plaintiff's system. Landsberg, 212 U.S.P.Q. at 157.

Also named were Lee Tiffany, a managerial level employee of S & R, Drue Conklin, an account executive, and Michael Senkiewicz. Conklin and Senkiewicz were never served with process. Lee Tiffany settled during the course of trial. Id. at 156.

Landsberg's copyright cause of action was governed by state law (common-law copyright) rather than federal law because the alleged infringements took place before the federal law took effect. This distinction proved unimportant for the analysis because California and federal law followed the same standards for infringement. Landsberg I, 736 F.2d at 487.

The diversity statute confers jurisdiction on the federal courts in all civil actions between citizens of different states in which the jurisdictional amount is met. 28 U.S.C. § 1332 (1948). Landsberg was a resident of California, and Crown Publishers and S & R were incor-
infringed Landsberg’s copyright by copying both his ideas and his expression. A permanent injunction was issued, and Landsberg was awarded actual and exemplary damages, attorney’s fees and costs.  

Landsberg I: A Different Standard of Infringement For Factual Works

On appeal, the Ninth Circuit reversed the judgment for Landsberg. In reaching this result, the court repeated the axiom of copyright law that the protection granted to a copyrighted work extends only to an author’s expression of the idea, not to the idea itself. While ideas used in fictional works can be expressed with “infinite variations,” the court noted, ideas contained in factual works can usually only be expressed in a limited number of ways. Because of this limitation, a subsequent author of a factual work may have to use expression very similar to that of the first author merely to express the same idea. To find such use infringing, however, would, in effect, extend copyright protection to unprotectable ideas. Therefore, the amount of similarity needed for a finding of infringement should vary according to the context in which it is applied, and the test used for fictional works is inappropriate for determining whether a factual work has been infringed. So that ideas may remain freely usable, the similarity needed to infringe a factual work will have to be verbatim reproduction or very close paraphrasing.

To support this holding, the court noted the doctrine of scenes a faire as an example of how the amount of substantial similarity that constitutes infringement

18. Attorney’s fees and costs were awarded under either 17 U.S.C. § 505 (1976) which gives the court discretion to award costs and fees to the winning party or the vexatious litigant rule as defined in Kelly v. Guinn, 456 F.2d 100, 111 (9th Cir. 1972), because of S & R’s bad faith tactics during trial. Landsberg facts, 212 U.S.P.Q. at 161. Total liability which included the profits realized by S & R and Crown Publishers through December 31, 1978 from the sale of the book, attorney’s fees, costs and punitive damages came to approximately $440,300. Landsberg II, 802 F.2d at 1157.


20. Id. at 489.


22. Landsberg I, 736 F.2d at 488.
varies according to the idea expressed. Under that doctrine, expression which "as a practical matter is indispensable or at least standard in the treatment of a given [idea]" is not protectable by copyright.\textsuperscript{23} The rationale is that since \textit{scen\ae{}s a faire} are necessary to the telling of an idea, protecting them would effectively give the first author a monopoly on use of the idea.

Applying these principles to the case, the court concluded that although the works were similar in expression, such similarities "must unavoidably be produced by anyone who wishes to use and restate the unprotectable ideas contained in Landsberg's work."\textsuperscript{24} Because S & R did not use more of Landsberg's expression than was necessary to state the idea, the court found no infringement.\textsuperscript{25}

The court then addressed Landsberg's breach of contract cause of action. Though the district court had found that Landsberg reasonably believed that S & R would not use his manuscript without paying him,\textsuperscript{26} the question remained whether Landsberg's initial disclosure of his manuscript was made in confidence. If so, the court noted, S & R's use of Landsberg's ideas would have been wrongful.\textsuperscript{27} Because the district court made no finding on this limited issue, the appellate court remanded the case for further findings of fact.

\textit{Landsberg II: Disclosure Of An Idea In Confidence For An Express Limited Purpose May Lead To The Formation Of An Implied-In-Fact Contract}

On remand, the district court found that Landsberg's initial disclosure of his idea was for the limited purpose of obtaining use of the Scrabble trademark, that Landsberg had expressed his intention to exploit his manuscript commercially, and that S & R's negotiations with Landsberg supported his reasonable belief that S & R would not use his manuscript without compensating him for it.\textsuperscript{28} Additionally, the court found that S

\textsuperscript{23} Frybarger v. IBM, 812 F.2d 525, 530 (9th Cir. 1987) (quoting Alexander v. Haley, 460 F. Supp. 40, 45 (S.D.N.Y. 1978)).
\textsuperscript{24} Landsberg I, 736 F.2d at 489.
\textsuperscript{25} For example, in Landsberg's manuscript, he stated: "The poor player simply attempts to work as many points as possible each turn." In Senkiewicz's work, the statement appeared, "The player who sees no other aim in Scrabble Crossword Game than to score the maximum number of points will never be a good player." Landsberg, 212 U.S.P.Q. at 158. Although these two statements are substantially similar, the appellate court believed these similarities were not the result of copying but rather the result of the few possible ways of stating the idea. Landsberg I, 736 F.2d at 489.
\textsuperscript{26} Landsberg I, 736 F.2d at 489.
\textsuperscript{27} Id. at 490.
\textsuperscript{28} Landsberg II, 802 F.2d at 1196. The trial court made its findings without retrial. Both
& R's request for a second copy of the manuscript was conduct indicating the existence of an implied contract. In light of these findings, the court granted Landsberg's motion for summary judgment. The Ninth Circuit affirmed.

On appeal, S & R argued that no contract had been formed because Landsberg disclosed his idea of the Scrabble handbook before any conduct on S & R's part indicated a contractual relationship. Because his disclosure was "blurted out," they continued, no implied contract was formed. S & R also argued that the idea of a Scrabble handbook was one it already had, and therefore, Landsberg's disclosure was of no use to them.

In rejecting S & R's argument, the court relied on the district court's supplemental findings and the guidance provided by the court in Landsberg I. Because these factual findings were not clearly erroneous, the court followed its earlier suggestion that if the disclosure was made in confidence then its use would be wrongful. The court found that although S & R did not use enough of the manuscript to support a finding of copyright infringement, there was sufficient use to support a breach of contract claim and upheld the summary judgment.

sides filed briefs, together with proposed Supplemental Findings and Conclusions, and the trial court issued its findings without any additional evidence or oral argument. Appellee's Brief, supra note 7, at 6.

29. Appellee's Brief, supra note 7, at 3.
30. Landsberg II, 802 F.2d at 1197.
31. Desny v. Wilder, 46 Cal. 2d 715, 299 P.2d 257 (1956). No promise to pay for an idea will be implied if the "idea man . . . blurs out his idea without having first made his bargain." Id. at 739.
32. Landsberg II, 802 F.2d at 1196.
33. Appellee's Brief, supra note 7, at 14. S & R also argued that Landsberg waived his contract claim by not filing a cross appeal in the earlier appeal. The court found that there was no waiver because their remand for further findings on the contract claim in Landsberg I established as law of the case that the claim was neither waived nor abandoned. Landsberg II, 802 F.2d at 1197.
34. FED. R. CIV. P. 52(a). A trial court's findings respecting findings of fact are not to be overturned unless clearly erroneous.
35. On appeal, S & R also contested the calculation of damages. They argued that: (1) their profits were an improper measure of Landsberg's damages because the court included the profits of the publisher who was not a party to the action; (2) the district court erred in doubling the punitive damage award upon remand because the only intervening event was their successful appeal; (3) the additional award of attorney's fees upon remand was improper; and (4) the prejudgment interest award should not run from the date of the initial judgment since that judgment had been reversed on the first appeal. The court agreed with their second and fourth claims and modified Landsberg's judgment accordingly. Landsberg II, 802 F.2d at 1197-1200.
In order to prove infringement, a plaintiff needs to prove ownership of the copyright and copying by the defendant. A plaintiff’s ownership relates in part to the concept of originality because only “original works of authorship fixed in any tangible medium of expression” are protected by copyright law. This requirement of originality means that the work owes its origin to the author. Novelty is not required; evidence of independent creation will suffice.

The author of a work that is original and fixed in a tangible medium is entitled to exercise specific statutory rights in his work and to bring a suit for infringement against those who interfere with those rights. This right to exclude copiers, however, does not extend to the entire work but only to the portions that are original to the author. Copyright, therefore, does not protect ideas, procedures, processes, methods of operation, systems, concepts, principles or discoveries.

Copying is usually established through proving access to, and substantial similarity between the works. There must be substantial similarity not only of the general ideas but also of the expression of those ideas. In Sid and Marty Krofft Television Productions, Inc. v. McDonald’s Corp., (“Krofft”) the Ninth Circuit introduced a two-step test for determining if there is enough similarity to satisfy the substantial similarity requirement of the infringement test. The first step is to analyze and dissect specific criteria to determine whether the ideas of the two works are substantially similar. The second step, the “intrinsic test,” looks to see if the expression of the two ideas is substantially simi-

37. Id. at 13-4. Other elements of ownership include the citizenship status of the author, compliance with statutory formalities, and the validity of any transfer between the author and the plaintiff (if the plaintiff is not the author). Id.
40. Id. at 2-7.
41. These rights include the exclusive right to reproduce, distribute, perform or display the work and the right to prepare derivative works. 17 U.S.C. § 106 (1976).
44. Sid and Marty Krofft Television Prods., Inc. v. McDonald’s Corp., 562 F.2d 1157, 1162 (9th Cir. 1977).
45. Cooling Sys. and Flexibles, Inc. v. Stuart Radiator Inc., 777 F.2d 485, 491 (9th Cir. 1985). Although a plaintiff must show that ideas are substantially similar, ideas are not protected by copyright and therefore, cannot be infringed. Frybarger v. IBM, 812 F.2d 525, 529 (9th Cir. 1987).
46. 562 F.2d at 1164.
lar. In this prong, where dissection and analysis are inappropriate, the similarity exists if the reasonable person would find the "total concept and feel" of the two works similar. In order to find infringement both steps of the test must be satisfied.47

Because neither access nor ownership were disputed in the case, the critical issue was whether the two works were substantially similar.48 In applying the two-step test in *Landsberg*, the district court made specific findings that showed copying of both idea and expression. The court noted that Senkiewicz had used no other materials when preparing his book besides Landsberg's manuscript; that Senkiewicz had no previous authorship experience; that he had access to the manuscript at all times during the preparation of his book; that nothing of substance had been developed until his manuscript arrived; and that Senkiewicz was not credible as a witness when he denied copying.49 The court also specifically found that Landsberg's expression had been copied and that S & R had crudely tried to paraphrase Landsberg's work to give it an appearance of dissimilarity.50

The Ninth Circuit accepted those factual findings,51 but still held that the district court applied the test too broadly by extending protection to Landsberg's ideas and stock expressions.52 In other words, the appellate court did not dispute that S & R had copied from Landsberg's manuscript, but found that what they had taken was not original, and therefore not protected by copyright. The decision was erroneous for several reasons.

**THE NINTH CIRCUIT MISAPPLIED TEST FOR INFRINGEMENT**

The first problem with the court's decision is that it failed to adequately consider the circumstances in which S & R's book was written. The trial court's detailed findings regarding the preparation of S & R's book should have been given greater weight when deciding whether Landsberg's book had been infringed.53 A Second Circuit decision which

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47. *Id.* at 1165.
50. *Id.*
51. *Landsberg I*, 736 F.2d at 490. The court accepted all findings of fact with the exception of those relating to substantial similarity. *Id.*
52. *Id.* at 489.
53. Blumcroft of Pittsburgh v. Newman Bros. Inc., 373 F.2d 905, 906 (6th Cir. 1967) (stating that because "[C]opying by a defendant can rarely be proven by direct evidence[,] it is proper to consider all of the facts and circumstances in connection with the development of the accused article.").
recognized the importance of a trial court's findings of fact is Meredith Corp. v. Harper & Row Publishers, Inc. ("Meredith"). In that case, the plaintiff was the author of a leading psychology textbook. The defendants, wishing to publish a competing textbook, hired several freelance writers, many of whom had no background in psychology. Internal memos revealed that the authors were instructed to use the plaintiff's book as a model for the selection, length and sequencing of topics to be included in the book and to avoid any material omissions from the plaintiff's text. After the book was published, plaintiff brought suit seeking an injunction. The court granted the injunction, finding that the defendants infringed by consciously paraphrasing and attempting to disguise the plaintiff's work.

The decision in Meredith appears correct because of the unfairness in allowing a defendant to escape liability in light of proof that he deliberately copied a plaintiff's work. Yet, the Landsberg I court reached the opposite result even though the district court had found that S & R had copied and attempted to disguise Landsberg's manuscript. This difference in result is not because the Ninth Circuit applied a different test but because the test was misapplied. The Krofft court specifically stated and applied the principle that where there is strong proof of access, less similarity between the works will suffice. In Landsberg I, S & R was in sole possession of Landsberg's manuscript, yet the court not only refused to lower the proof of similarity needed but also imposed a higher standard due to the factual nature of the work. By analyzing the case as if it were mere coincidence that S & R happened to publish a book on the same subject as Landsberg, the court ignored the lack of independent creation by S & R and other strong circumstantial evidence which indicated that Landsberg's protected expression had been copied and disguised.

The Ninth Circuit has held that "[s]ince the intrinsic test for expression is uniquely suited for determination by the trier of fact, this Court must be reluctant to reverse it." By disregarding its own warning, the Ninth Circuit inappropriately substituted its judgment for that of the

55. Id. at 688. A later memo showed one author's fear that the writers were plagiarizing.
56. Id.
57. Sid and Marty Krofft Television Prods., Inc. v. McDonald's Corp., 562 F.2d 1157, 1167 (9th Cir. 1977).
58. Roth Greeting Cards v. United Card Co., 429 F.2d 1109, 1110 (9th Cir. 1970). "[T]he absence of any countervailing evidence of creation independent of the copyrighted source may well render clearly erroneous a finding that there was no copying." Id.
59. Krofft, 562 F.2d at 1166.
trial court. The result is a holding that is totally at odds with what actually happened in the case.

**THE NINTH CIRCUIT TEST FOR FACTUAL WORKS IS TOO BROAD**

As noted earlier, the court in *Landsberg I* decided that factual works will not be deemed infringed unless the similarity of expression is verbatim or very close paraphrasing. The cases the court cited for this principle, however, were not on point because they involved works of a different nature than the works here. In these cases, *Hoehling v. Universal City Studios, Inc.* ("*Hoehling*") and *Miller v. Universal City Studios, Inc.* both plaintiffs' factual works were based on news events in the public domain. In *Hoehling*, the court began by noting that neither historical facts nor the interpretation or research of such facts are protected by copyright. In order to protect use of these facts to the fullest extent possible and avoid a chilling effect on subsequent authors, the court reasoned that broad latitude should be given to authors making use of historical subject matter. Therefore, it held that "bodily appropriation" would be needed for a finding of infringement.

The rationale for limiting copyright protection in historical works is that copyright protects only original authorship, and no one can claim to be the author or originator of a fact. This rationale may not be applicable to this case because the facts involved in Landsberg's books are not historical or newsworthy but an explanation of his strategy. The Ninth Circuit erred by lumping all factual works into one category without recognizing that some types of factual works have a higher degree of originality and therefore, should not be afforded less protection. Whether Landsberg's strategy should be subject to as minimal copyright protection as was afforded in *Hoehling* to a book describing the Hindenburg disaster, should depend on whether the book related the one possible

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60. Id.
61. See *supra* note 22 and accompanying text.
63. 650 F.2d 1365 (5th Cir. 1981).
64. In *Miller*, 650 F.2d at 1365, the news event involved a kidnapping. In *Hoehling*, 618 F.2d at 972, the works were based on the Hindenburg disaster.
65. *Hoehling*, 618 F.2d at 978.
66. *Id.* at 980.
67. *Id*. at 980.
68. See Gorman, *Fact or Fancy? The Implications for Copyright*, 29 J. OF THE COPYRIGHT Soc'y 560, 563 (1982) (stating that "one must caution that even within the field of factual works there are gradations as to the relative proportion of fact and fancy . . . . The extent to which one must permit expressive language to be copied . . . will thus vary from case to case and genre to genre."). *Id.*
strategy for playing Scrabble, or whether his strategy was one of innumerable possibilities. If there was only one possible strategy, even if Landsberg discovered it, it would not be protected by copyright because, like the Hindenburg disaster, such protection would prevent further analysis of the material. If, however, Landsberg's strategy was one imaginative creation out of many possible ways of playing the game, it is more analogous to a fictional work. It should not be given less protection because other authors can still develop their own imaginative theories as to how the game should be played, just as subsequent authors of fictional works can write on the same theme without infringing the first author's work. By failing to determine whether Landsberg's strategy was closer to fact or fiction before deciding the work was not protected, the Landsberg I court formulated a rule that is too broad.

A case that may recognize a distinction between different types of factual works is Runge v. Lee. In that case, plaintiff owned a salon where she instructed clients on facial exercise. She wrote a book publishing her technique and a few years later, one of her employees at the salon published a competing book with the same exercises. Plaintiff sued for copyright infringement and unfair competition. The jury found that the book infringed because it had not been prepared using common sources of knowledge but had been copied from plaintiff's work. Even though the second work was not a verbatim reproduction, the Ninth Circuit affirmed. While the grounds for the court's decision are not entirely clear, it may be based in part on its finding that the exercises that were

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69. For example, there is only one real strategy for playing black-jack because the strategy is dictated by a mathematical formula. By contrast, there are innumerable strategies for the game of football since tactics will also depend on player personnel, weather conditions and other variables.
71. Take, for example, an idea which may be expressed in innumerable ways, like the idea of a romantic triangle. Although the idea itself is not protected by copyright, an author's plot expressing the idea may be protected. See, e.g., Nichols v. Universal Pictures Corp., 45 F.2d 119, 121 (2d Cir. 1930). If Landsberg's idea for winning at Scrabble is simply one "plot" expressing the broad idea of Scrabble strategy, by analogy to fictional works, his version should be protected.
72. The district court found that Landsberg's notational system for expressing his strategy was in the public domain and not protected by copyright. Landsberg facts, 212 U.S.P.Q. at 161. None of the courts, however, discussed the nature of the strategy itself.
73. 441 F.2d 579 (9th Cir.), cert. denied, 404 U.S. 887 (1971).
74. Id. at 582.
75. Interestingly, what played a large part in the court's finding of infringement was defendant's unlimited access to plaintiff's techniques, defendant's lack of writing experience and the speed with which the manuscript was completed. Id. These findings are very similar to the findings at issue in Landsberg. See supra notes 49-50, and accompanying text.
the subject of the books were original to plaintiff.\footnote{Runge, 441 F.2d at 583.} Since her book was not factual information already in the public domain, but an explanation of her original techniques, the court may have decided that requiring a higher standard of substantial similarity was inappropriate.\footnote{Admittedly, this was not a popular decision. See Runge, 404 U.S. at 887 (Douglas' dissent from denial of certiorari). See generally, 3 Nimmer, supra note 36, at 13-24.}

Because the \textit{Landsberg I} court did not analyze whether Landsberg's strategy was original, it may have also incorrectly relied upon the \textit{scenes a faire} doctrine.\footnote{See supra note 23, and accompanying text.} The court had found that any similarities in expression between the two works were unavoidable because the subject matter of both books could only be conveyed through these stock expressions.\footnote{Landsberg I, 736 F.2d at 489.} Even assuming Landsberg's strategy could only be formulated in a limited number of ways, the court did not address the possibility that the subject matter of the two books was only so similar because S & R copied Landsberg's original strategy instead of developing an alternative one of its own.

Factual works are a problematic area of copyright law,\footnote{Harper & Row Publishers, Inc. v. Nation Enters., 105 S. Ct. 2218, 2224 (1985) (stating that "[e]specially in the realm of factual narrative, the law is currently unsettled regarding the ways in which copyrightable elements combine with the author's original contributions to form protected expression.").} and the court in \textit{Landsberg I} overlooked an opportunity to guide lower courts dealing with the issue. By failing to recognize that all factual works are not alike, the court reached a result which enables people to paraphrase all nonfictional works, no matter how original, and avoid liability. Since the whole point of the substantial similarity inquiry is to draw a line so that there can be protection for more than solely verbatim use, the decision does not make sense. In the long run it will limit, rather than encourage, the free use of ideas. As the court in \textit{Meredith} stated, "it is hardly an inducement [for] someone . . . to do the years of research and scholarship needed to produce an authoritative text if an untrained freelance writer . . . may paraphrase major portions and make a competing text out of it."\footnote{Meredith Corp. v. Harper & Row Publishers, Inc., 378 F. Supp. 686, 690 (S.D.N.Y. 1974).} The court attempted to mitigate this harsh rule as it applied to Landsberg by finding an implied contract. In doing so, however, it misinterpreted prior case law and considerably broadened the range of situations in which an implied contract will be found.
THE TEST FOR AN IMPLIED-IN-FACT CONTRACT

It has long been the practice in the entertainment industry for writers to submit ideas, rather than complete works, to producers. Recognizing that writers may be taken advantage of if these ideas were not somehow protected, the courts have tried to strike a balance between the complete protection of copyright and the complete denial of any legal protection. In the landmark case of Desny v. Wilder ("Desny"), the California Supreme Court held for the first time that proof of an implied-in-fact contract to pay for even an ordinary idea will render the idea legally protectable as between the contracting parties. From this principle has developed an emerging body of case law that is, unfortunately, complicated by the decision in Landsberg II.

An implied contract differs from an express contract only in that the existence and terms of an implied-in-fact contract can be shown by the parties' conduct rather than by their words. Under California law, one may recover for breach of an implied-in-fact contract by showing that: 1) he prepared the work, 2) he submitted the composition to the defendants for sale, 3) the defendants, knowing it was offered for sale, accepted and used the work, and 4) the work had some value. This is limited by the principle that "[i]f disclosure occurs before it is known that compensation is a condition of its use, however, no contract will be implied." The key issue in Landsberg II was not whether S & R used Landsberg's manuscript. By affirming the district court's findings of fact, the Landsberg I court acknowledged that there was such use even though it was not enough to constitute copyright infringement. The critical question was whether an implied contract was formed, and if so, whether S & R's use violated its terms. Although the court in Landsberg I found that Landsberg's first disclosure of his manuscript "apparently preceded any conduct on S & R's part indicating the existence of an implied-in-fact

83. 3 NIMMER, supra note 36, at 16-3.
84. 46 Cal. 2d 715, 299 P.2d 257 (1956).
85. Id. at 738, 299 P.2d at 269. Other theories available for protection of ideas are express contracts, quasi-contracts and fiduciary relationships. 3 NIMMER, supra note 36, at 16-4.
88. Landsberg II, 802 F.2d at 1196. This principle is based on the notion that past consideration is not valid for an enforceable contract. If plaintiff completely performs by disclosing his idea before defendant has expressly or impliedly promised to pay for the idea, plaintiff's disclosure, having been performed in the past, is not valid consideration to support defendant's promise. See 3 NIMMER, supra note 36, at 16-20.
89. Landsberg II, 802 F.2d at 1197.
contract," it nevertheless held that a contractual duty arose and was breached because Landsberg's initial disclosure had been made in confidence.

One problem with this decision is that it does not make clear what relevance the confidential nature of Landsberg's submission should have on his implied contract claim. The cases which the court cited for the proposition that a plaintiff whose disclosure was made in confidence can sue if the idea is then used, involved plaintiffs who brought suit under a breach of confidence theory. Unlike an action for implied contract, a breach of confidence action is quasi-contractual in nature; it is not based on the parties' intentions but created by law for reasons of justice. Although the two causes of action are very similar, and Landsberg probably could have prevailed on an action for breach of confidence, he did not plead it. By using the term "confidence" and citing to breach of confidence cases, the Landsberg decision reads as though the court is mingling the two causes of action. Since a breach of confidence action is not based on the parties' intentions, the effect of such commingling would be that a contract could be implied for reasons of fairness. This is considerably broader than the current rule.

The court's lack of findings on S & R's state of mind demonstrates that it looked more at principles of fairness and less at the parties' intentions. The trial court found that "Landsberg's belief that [S & R] would

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90. Landsberg I, 736 F.2d at 490.
93. An action for breach of confidence may arise whenever an idea, offered and received in confidence, is later disclosed without permission. The idea does not need to be protectable under copyright law nor does there need to be a fiduciary relationship between the parties. Faris, 97 Cal. App. 3d at 323, 158 Cal. Rptr. at 712.
94. Another possible interpretation of the court's reliance on the confidentiality finding is that the court believed that it was the confidential nature of the submission that made Landsberg's disclosure bargained for and not a "blurting out." If this is what the court meant, its reasoning is still questionable. If Landsberg's book had already been published when he submitted it and therefore, not in confidence, his submission is still not a blurting out because his idea was only disclosed at S & R's request. In Landsberg I, the court suggested that the request for the second copy was bargained for, 736 F.2d at 490. This analysis has been severely criticized. See 3 NIMMER, supra note 36, at 16.33 n.13.1.
not use his manuscript without paying him for it was reasonable." But it is not solely Landsberg's subjective belief that creates an implied contract; both parties must understand that Landsberg's submission was conditioned on payment. Instead, the court assumed that S & R recognized Landsberg's expectation of payment. While this may make sense in the context of the entertainment industry where producers routinely receive ideas, it seems to be out of place here where the recipient is a game company and less familiar with such dealings. It is also directly contrary to the principle that an obligation to pay should not be inferred from the mere submission of an idea on a theory that everyone knows the idea man expects to be paid. This approach restrains the free use of ideas because it could possibly render a defendant liable for a contract that he did not realize he was making. For example, Landsberg, in this case, submitted his idea to S & R with the sole intention of obtaining S & R's permission to use its trademark. Changing the subsequent facts, assume S & R accepted the manuscript and realizing it was very close to something it was already developing, refused Landsberg's request, with no negotiations ever taking place. S & R then published its book, and Landsberg sued claiming that S & R breached an implied contract by using his idea. Assuming Landsberg had sufficient evidence to prove use by S & R, the rule in Landsberg II suggests that these facts would support a finding of an implied contract even though Landsberg had no intention of selling his idea and S & R had no intention of buying it. This is particularly dangerous in California because, unlike most jurisdictions, novelty of the idea is not required for contractual protection. Since any small idea from the manuscript can be protected by contract, the game company could be held liable despite the absence of anything resembling a true contract.

This result not only undercuts the rule in Desny but comes dangerously close to giving the idea man a monopoly on the use of his ideas. Now mere disclosure to another in confidence of even the most commonplace idea may prevent that person from developing anything close to it because of fear of liability. Unlike the rule in Landsberg I, this gives creators of works too much protection.

Taken together, Landsberg I and Landsberg II narrow the scope of

95. Landsberg II, 802 F.2d at 1196.
97. 3 Nimmer, supra note 36, at 16-33. In the entertainment context, a producer may be characterized as making a continuing offer to writers which becomes a binding contract upon the writer's submission. Id.
98. Faris, 97 Cal. App. 3d at 319, 158 Cal. Rptr. at 709.
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protection formerly given to factual works under copyright laws while broadening the possibility of relief afforded under contract law. This result is not only unfortunate but unnecessary. It is unfortunate because it does little to help the plaintiff whose original idea has been stolen but has not had enough dealings with the defendant in order to prevail on a contract claim. It is unnecessary because had the court correctly upheld the copyright infringement judgment, it would not have had to later enlarge the scope of the contract remedy in order to give Landsberg the relief he obviously deserved. In its quest to ensure that ideas remain freely usable, the court has achieved the opposite result and further complicated an already uncertain area of the law.

Doree Reno

100. See Giangrasso v. CBS, Inc., 534 F. Supp. 472 (E.D.N.Y. 1982) (stating that there can be no implied contract if there was no "direct submission" of plaintiffs' work to the defendant).