A Comparison and Critique of Idea Protection in California, New York, and Great Britain

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COMMENT

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I. INTRODUCTION

Copyright,1 patent,2 and trademark laws3 do not protect ideas.4 Ideas are "free as air," and anyone may use them.5 Courts deny protection to an individual's ideas6 because of public policy favoring the promotion of science and the useful arts.7 By denying individual own-
ership of ideas, ideas become public property. Consequently, anyone can use an idea freely to advance scientific research, or to create new products or works of art.\(^8\)

The absence of idea protection was not a problem prior to the twentieth century because mass communication had not yet developed its current insatiable demand for product. Lacking "pressing deadlines" for product, "idea people" put ideas into protectible forms before offering them in the marketplace. Consequently, an idea-expression dichotomy arose, whereby courts, based on public policy discussed above, protected concrete expressions of ideas but not the ideas themselves.\(^9\) The advent of commercial radio and television has changed this scenario dramatically because the survival of these media depends upon receiving a continuous supply of new ideas.\(^10\) Because of this demand, idea people sell their ideas and invest time into developing them only after concluding the sale.\(^11\)

A policy that encourages unhindered dissemination of ideas is laudable, but a policy that denies idea protection under a copyright theory\(^12\) may actually inhibit the dissemination of ideas.\(^13\) Unprotected ideas may not flow freely, since they may be easily copied or

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\(^8\) For example, if someone invents a machine that eliminates smog, patent laws may protect the actual invention. The idea of a machine that eliminates smog, however, is freely available to anyone who makes use of it.


\(^10\) Plays, television series, game shows, movies, and the advertising industry constantly require fresh and innovative ideas. Thus, ideas have become valuable commodities since the turn of the century.


\(^12\) United States law affords copyright protection to works that are original and expressed in concrete form. 17 U.S.C. § 102(a) (1988). "Concreteness" means that the idea has been fixed in some type of medium, usually written forms of expression, film, television, or radio programs. *Id.; see also* 18 C.J.S. *Copyrights* § 9, at 101 (1990). "Originality in copyright" means that a work owes its creation to an author and that it was not copied from another. *BLACK'S LAW DICTIONARY* 1099 (6th ed. 1990). Thus, any work that consists of a new arrangement of existing ideas is original.

\(^13\) Commentator David Hopkins argues that failing to protect ideas inhibits their promulgation. He maintains that the present system of copyright, which denies ideas protection, hinders the creative process for two reasons. First, people who know that their ideas will not be protected will keep them to themselves. Second, people who are denied the benefit of their ideas will lack the incentive to develop them. Hopkins, *supra* note 9, at 446-47.
Recognizing this potential inhibition, jurisdictions that once completely denied idea protection have developed laws providing limited protection.15

Courts in the United States and abroad will protect ideas under certain circumstances without applying copyright theory.16 Some courts protect ideas under contract theory,17 while others rely on such theories as breach of confidence,18 quasi-contract,19 and breach of confidential relationship.20 From these theories, three schools of
thought have developed for idea protection; two in United States
courts and the other in British courts.21

This Comment compares contemporary approaches to idea pro-
tection in California, New York, and Great Britain. It first explores
whether each jurisdiction requires that an idea disclosure be novel
before the courts will afford the disclosure protection. For jurisdic-
tions that afford protection under contract theory, this line of analysis
asks whether the act of disclosure alone suffices as consideration for a

merit theories into the law of trade secrets. See Barrett, supra note 16, at 757-58. She convincingly argues that the circumstances giving rise to recovery under either of these theories is essentially the same. Id. at 747. The theories differ only as to the quality standard the court imposes before according protection. Id. at 748-58.

To some extent, this argument is correct. Courts generally require that ideas contain some novelty and concreteness before they will grant recovery under quantum merit or a confidence theory. See, e.g., Weitzenkorn, 256 P.2d at 959 (quantum merit); Coco, 1969 R.P.D. & T.M. at 41 (confidence). Barrett points out, however, that trade secret law adds to this the requirement of continual use in the plaintiff's business. Barrett, supra note 16, at 751-58. She suggests that by eliminating this standard, trade secret law would more effectively balance the competing interests involved; namely, the creator's interest in protecting his or her work versus the public's need for access to new inventions and products. Id. at 758.

Hopkins points out, however, that trade secret law, as it currently exists, contains several major drawbacks. First, by their nature, trade secrets may legitimately be kept from the public. Hopkins, supra note 9, at 467. Second, "trade secret law may afford longer protection and denial of public access than either copyright or patent law." Id. Third, the creator and society may benefit from disclosure and wide dissemination. Id. Fourth, trade secret law varies from state to state. Id. at 467-68. Finally, British law, unlike its United States counterpart, affords trade secrets protection under the law of confidence. See infra text accompanying notes 220-68. This suggests that confidence, with its more limited protection, best balances the competing interests.

Barrett also suggests protecting idea disclosures under express and implied contract theories, without any novelty or concreteness requirement. Barrett, supra note 16, at 737-40. While agreeing with Barrett that novelty and concreteness should not be required, this author contends that the artificial distinctions between these currently separate areas of law should be eliminated. These distinctions, somewhat esoteric and difficult to grasp, cause confusion in the courts and lead to inconsistent decisions. Thus, this author contends that the best solution to the idea protection dilemma is to synthesize contract theory and the law of confidence into one simple test that courts can uniformly apply. For a full discussion of this issue, see infra text accompanying notes 388-97.


California, however, has developed its own approach for idea protection. See infra text accompanying notes 22-138 and 282-308 for a complete discussion of California law.

Great Britain utilizes a third approach. See infra text accompanying notes 220-68 and 349-77 for a complete discussion of British law.
contract, and whether, therefore, an idea need not be novel before the courts will protect it. Next, this Comment examines whether regardless of disclosure an idea first must be novel and original before the courts will protect it under a property theory, analogous to copyright. Additionally, this Comment investigates whether novelty is required with respect to implied or express agreements. It then attempts to ascertain the amount of similarity required between two works before a court will find that one work has been copied from another. Finally, this Comment argues for a more uniform approach regarding idea protection. By combining Great Britain's "use standard" with California's "similarity standard," the ideas of the twentieth century idea person will receive adequate protection, thereby guaranteeing the free flow of ideas to the industries that depend on them for survival.

II. THE NOVELTY REQUIREMENT

California and New York courts protect idea disclosures under the rubric of implied-in-fact contract theory. British courts, however, proceed under a breach of confidentiality theory. Regardless of the approach used, the seminal question in each jurisdiction is whether an idea disclosure must contain the element of novelty before the courts will afford it protection.

Analyzing the issue under an implied contract theory, California and New York courts ask whether an idea disclosure must be novel before it suffices as consideration for a contract. This follows the traditional contract analysis, in which courts require offer, acceptance, and consideration. Under certain circumstances, the act of disclosure constitutes the offer, and listening or being exposed to the offer constitutes conditional acceptance requiring payment upon use. To find consideration, courts look to the idea disclosure. California courts consider the act of disclosure a valuable service provided to the offeree, which suffices as consideration for an implied contract. Under California's analysis, it is irrelevant whether an idea contains the element of novelty. Conversely, New York courts, which require novelty, conclude that non-novel ideas lack value. Thus, in New York, an implied contract based on a non-novel idea disclosure fails for lack of consideration.

A. California

To understand how California courts currently deal with the novelty issue, it is helpful to trace the development of idea protection
from its inception within the jurisdiction. Thus, this section begins by discussing California's early statutory protection of ideas. Next, this section discusses how, after the California Legislature repealed statutory protection, courts began protecting idea disclosures. Discussion of the courts' protection begins with Justice Traynor's dissent in *Stanley v. Columbia Broadcasting System, Inc.*, later adopted as the law of California, wherein he argued that under certain circumstances, ideas deserve protection. A discussion of *Desny v. Wilder* and its four-pronged test, which is currently used by California courts to ascertain whether protection attaches to particular idea disclosures, follows the discussion of *Stanley*. Finally, this section discusses how the California Court of Appeal has liberally interpreted *Desny* to accord protection to both novel and non-novel idea disclosures under express and implied-in-fact contract theories, so long as the four conditions of the *Desny* test are satisfied.

1. The Development of California Law

a. Early Statutory Protection of Ideas

Prior to 1947, California statutorily conferred exclusive ownership upon the author of "any product of the mind." This language was understood to extend "protection . . . to an idea rather than to the [idea's] form and manner of expression." For example, the California Supreme Court, in *Golding v. R.K.O. Pictures, Inc.*, held that the statute extended protection to ideas that lacked the traditional concrete expression requirement found in copyright law. When the California Legislature amended the statute in 1947, the words "product of the mind" were deleted, and protection no longer extended to

22. The expanding entertainment industry during the latter half of the twentieth century also played a significant role in the area's development. Although California courts have never directly acknowledged the entertainment industry's pressure, it can be inferred from the language of the courts' decisions. See, e.g., *Chandler v. Roach*, 319 P.2d 776, 782 (Cal. Dist. Ct. App. 1957).

23. 221 P.2d 73, 84 (Cal. 1950) (Traynor, J., dissenting).


27. 221 P.2d 95 (Cal. 1950). Although *Golding* was decided after the California Civil Code was amended, the contractual dispute arose prior to the Code's amendment.

28. Id. at 97. In *Golding*, the court treated California Civil Code section 980 as the statutory equivalent of common law copyright. Id. The court concluded that this section afforded protection to all of the writer's creative endeavors, including all products of the writer's creative mind. Id.
"mere ideas."²⁹


Justice Traynor's dissent in the California Supreme Court case of *Stanley v. Columbia Broadcasting System, Inc.*³⁰ had a large impact on the development of idea protection.³¹ This dissent, later adopted as the law of California,³² stated that under certain circumstances, disclosure of an idea suffices as consideration for a promise to pay for the idea. Justice Traynor reasoned:

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. . . .

Even though the idea disclosed may be "widely known and generally understood[,]" . . . it may be protected by an express contract providing that it will be paid for regardless of its lack of novelty. An implied-in-fact contract differs from an express contract only in that the promise is not expressed in language but implied from the promisor's conduct. It is not a reasonable assumption, however, in the absence of an express promise, or unequivocal conduct from which one can be implied, that one would obligate himself to pay for an idea that he would otherwise be free to use. Even an express contract to pay for "valuable information" to be submitted by the plaintiff does not carry the implication of a promise to pay if it is found upon disclosure to be common knowledge. If the

²⁹. See *CAL. CIV. CODE* § 980 (West 1947), construed in Kenneth H. York, *Work of the 1949 California Legislature: Personal Property*, 23 *S. CAL. L. REV.* 39, 41 (1949). In *Weitzenkorn* v. Lesser, 256 P.2d 947 (Cal. 1953), the California Supreme Court concluded that the California Legislature, by deleting "product of the mind," eliminated protection given to any product of the mind. *Id.* at 956. In eliminating statutory protection, California chose to conform with traditional common law copyright theory regarding protectible property. Thus, ideas once protectible in California by statute were no longer protectible.

³⁰. 221 P.2d 73 (Cal. 1950). In *Stanley*, a majority of the California Supreme Court resorted to a typical copyright infringement analysis to determine whether Columbia Broadcasting System used Stanley's radio material. In this analysis, the court added to the copyright "concreteness" requirement the requirement of "novelty." It began its analysis by defining "novelty" as a new combination of existing elements. Concluding that the radio program consisted of a new combination of existing materials, the court found Stanley's idea sufficiently novel and concrete to deserve protection. The court held that, although the elements of Stanley's work were not of themselves novel, the combination of those elements formed one new and novel idea. *Id.* at 79.

³¹. *Id.* at 84 (Traynor, J., dissenting).

idea is not novel, the evidence must establish that the promisor agreed expressly or impliedly to pay for the idea whether or not it was novel.33

Stanley involved a completely developed and recorded radio program that Stanley offered to sell to Columbia Broadcasting System ("CBS"). When CBS failed to follow through, Stanley sued for breach of an implied contract based on the elements of copyright infringement, alleging that the idea was both original and reduced to concrete form prior to disclosure.34

Justice Traynor began his analysis by recognizing that an idea disclosure alone may suffice as consideration for a contract.35 Unlike copyright law, which only requires that a work contain the element of originality,36 idea disclosures must satisfy the stringent "novelty" standard before protection attaches.37 This provides the idea person little protection. Realizing that the idea person's work needed protection, Justice Traynor suggested an exception to the general rule requiring novelty.38 He would protect the disclosure of a non-novel idea only if the parties expressly contracted that payment was due if the idea was used, or if the promisor's conduct unequivocally suggested that an agreement existed to pay for the disclosure of the idea, whether or not the idea was novel.39

Although Justice Traynor acknowledged the possibility of an implied contract for a non-novel idea, he strongly suggested that it was unlikely that CBS would voluntarily enter into an agreement for an idea that was without value.40 Justice Traynor found Stanley's idea of little value, because only one of the idea's elements was novel.41 He concluded that the evidence did not support an inference that CBS

33. Stanley, 221 P.2d at 85-86 (Traynor, J., dissenting) (citations omitted).
34. Id. at 74.
35. Id. at 85 (Traynor, J., dissenting).
37. Stanley, 221 P.2d at 79.
38. Id. at 85-86 (Traynor, J., dissenting).
39. Id. (Traynor, J., dissenting).
40. Id. (Traynor, J., dissenting).
41. Justice Traynor stated that the evidence did not support a conclusion that CBS agreed to pay for a non-novel idea, nor was it the practice of the radio industry to pay for an idea whether "novel or shopworn, hackneyed, and commonplace." Id. at 87-88 (Traynor, J., dissenting). Justice Traynor's analysis found nothing about Stanley's program novel, except his idea for listener participation. He concluded that CBS did not use this one protected element. Id. at 88-94 (Traynor, J., dissenting).
agreed to pay for the use of a common idea.\textsuperscript{42} Although Justice Traynor stated that a non-novel idea could be the subject of contract, he concluded that under these facts novelty was a prerequisite to protecting Stanley's idea.\textsuperscript{43}

Justice Traynor's analysis in \textit{Stanley} was typical of those used by jurisdictions requiring novelty for idea protection. His analysis focused on two issues: whether Stanley's program or any part thereof was novel and, therefore, commercially valuable; and whether similarity existed between the novel aspects of Stanley's idea and CBS's program to support an inference of unauthorized use. Finding little novelty and no similarity between CBS's program and the protectible, novel aspects of Stanley's program, Justice Traynor concluded that the lower court's determination that an implied contract existed between Stanley and CBS should have been overruled.\textsuperscript{44}


In an unusual legal development following \textit{Stanley}, California courts provided more expansive protection for non-novel ideas by adopting and modifying Justice Traynor's dissent as the law in California. In particular, courts gradually moved away from utilizing property analyses of idea disclosures, and moved toward the position that the act of disclosure may constitute consideration for a contract.

The change in the courts' understanding began with \textit{Weitzenkorn v. Lesser},\textsuperscript{45} when the California Supreme Court expressly adopted Justice Traynor's dissent as the law of California.\textsuperscript{46} After declining to protect Weitzenkorn's idea under a property theory,\textsuperscript{47} the court concluded that it was conceivable, although unlikely, that Weitzenkorn could introduce evidence proving that the parties entered into an express contract whereby Lesser agreed to pay for Weitzenkorn's story.

\textsuperscript{42} \textit{Stanley}, 221 P.2d at 87 (Traynor, J., dissenting) (citing High v. Trade Union Courier Pub. Corp., 69 N.Y.S.2d 526, 529 (Sup. Ct. 1946)).

\textsuperscript{43} Justice Traynor stated that "when a plaintiff claims the protection of an implied-in-fact contract for an abstract idea, his idea must have the characteristic of novelty for which defendant has promised to pay." \textit{Id.} at 91 (Traynor, J., dissenting).

\textsuperscript{44} \textit{Id.}

\textsuperscript{45} 256 P.2d 947 (Cal. 1953).

\textsuperscript{46} \textit{Id.} at 958.

\textsuperscript{47} The court found Weitzenkorn's form and manner of expression protectible, but found no similarity between these elements and Lesser's work. \textit{Id.} at 957. Since similarities did not exist as to the protectible, novel elements of Weitzenkorn's work, the court declined to protect Weitzenkorn's story under a property theory. \textit{Id.}
regardless of whether it was novel, non-novel, or even commonplace. Based on this slight possibility, the court reversed a judgment of dismissal on Weitzenkorn's two remaining causes of action. Based on this slight possibility, the court reversed a judgment of dismissal on Weitzenkorn's two remaining causes of action.

2. The Expansion of California Idea Protection Law
   a. Desny v. Wilder and Its Four-Pronged Test

Decided by the California Supreme Court in 1956, Desny v. Wilder was the first case to provide more expansive protection for ideas. Like the Weitzenkorn court, the Desny court adopted Justice Traynor's dissent in Stanley as the law of California. The Desny court agreed with Justice Traynor that an idea's disclosure may constitute consideration for a promise to pay, whether or not the idea is novel. The idea's protection derives from either an express or implied contract that provides "that it will be paid for regardless of its lack of novelty." The court added the caveat that one cannot set up a unilateral contract by disclosure. Rather, the offeree must first consent by words or deeds to the disclosure before a contract exists. Otherwise, the disclosure is gratuitous, and the offeror will not receive remuneration for the idea. This decision marked the first time in which a California court both implied and enforced a contract based on an idea disclosure.

The Desny court reasoned that although most courts generally accept the proposition that "ideas are as free as the air ... there can be circumstances when neither air nor ideas may be acquired without

48. Id.
49. Id. The court held that two causes of action existed. One cause of action was under a contract theory; the other was under a quantum valebant theory—recovery for "the reasonable value of the goods sold and delivered." Id. at 958.
50. 299 P.2d 257 (Cal. 1956).
51. In this case, Desny telephoned Wilder to discuss an idea for a film. Instead of speaking directly to Wilder, however, Desny spoke to Wilder's secretary who insisted that he tell her the idea over the telephone. Wilder's secretary liked the idea and, during a follow-up telephone call, wrote a summary of Desny's story. During their conversations, Desny made it clear to Wilder's secretary that he was disclosing his idea with the understanding that he would be compensated for its use. Wilder subsequently produced a film similar to the idea disclosed by Desny, and Desny brought suit. Id. at 261-62.
52. Id. at 266 (citing Stanley v. Columbia Broadcasting Sys., Inc., 221 P.2d 73, 85 (Cal. 1950) (Traynor, J., dissenting)).
53. Id. at 264. The defendants conceded this point of law. Id.
54. Id.
55. Desny, 299 P.2d at 270.
56. Id.
57. Id.
58. Id. at 277.
The court compared the disclosure of an idea by an idea person with the dispensation of advice by a doctor or lawyer. Although neither an idea person nor a doctor or lawyer offers new or novel ideas, one who requires their advice or information pays anyway.\(^{60}\)

The *Desny* court concluded that one who submits a valuable idea to a producer who either solicited the idea or voluntarily accepted it knowing that it was tendered for a price is entitled to recover the idea's reasonable value upon use.\(^{61}\) This holding reduces to a simple four-pronged test: (1) one must submit a valuable idea to a producer; (2) the producer must either have solicited or voluntarily accepted the idea disclosure; (3) the producer must know that the idea disclosure was made in the expectation of remuneration upon use; and (4) the producer must actually use the idea.\(^{62}\)

In *Desny*, the court first examined the circumstances attending disclosure to determine whether the parties entered into a contract.\(^{63}\) Finding no express agreement,\(^{64}\) the court used an objective test of the circumstances to determine whether the parties entered into an implied contract.\(^{65}\) This objective test asked whether a reasonable person, considering all the circumstances surrounding the disclosure, would think the two parties had entered into a contract.\(^{66}\) Under principles of agency theory,\(^{67}\) the court found that Wilder had entered into an implied contract based on an oral disclosure made during a

\(^{59}\) *Id.* at 265.

\(^{60}\) The court stated:

> The lawyer and doctor have no property rights in their ideas, as such, but they do not ordinarily convey them without solicitation by client or patient. Usually the parties expressly contract for the performance of and payment for such services, but in the absence of an express contract, when the service is requested and rendered the law does not hesitate to infer or imply a promise to compensate for it.

*Desny*, 299 P.2d at 266.

\(^{61}\) *Id.* at 270.

\(^{62}\) In *Faris v. Enberg*, 158 Cal. Rptr. 704 (Ct. App. 1979), the California Court of Appeal added a requirement that the offeree must also prove that he or she prepared the work; that is, that the offeree developed the idea. *Id.* at 709.

\(^{63}\) *Desny*, 299 P.2d at 268-71.

\(^{64}\) Although Wilder's secretary stated that she understood that by using *Desny's* idea Wilder would become obligated to pay, the parties never discussed whether novelty was a prerequisite to payment. Thus, their express agreement did not necessarily encompass payment for non-novel ideas. *Id.* at 261-62; see also supra note 51.

\(^{65}\) *Desny*, 299 P.2d at 268-69.

\(^{66}\) See *id.* at 267-69.

\(^{67}\) *Desny* never spoke directly with Wilder. Instead, his idea was disclosed to Wilder's secretary. See supra note 51. Since Wilder's secretary represented to *Desny* that she had the authority to act as Wilder's agent for the procurement of material, the court held Wilder and Paramount Studios liable under an agency theory. *Desny*, 299 P.2d at 273.
telephone conversation.\textsuperscript{68}

Applying the four-pronged test, the court first found Desny's idea valuable, as evidenced by Wilder's production of a film based on the idea.\textsuperscript{69} According to the court, the fact that the idea came from the public domain and lacked novelty did not justify its misappropriation and use without compensation.\textsuperscript{70} The court next concluded that Wilder, through his secretary, solicited Desny's idea when Wilder's secretary asked Desny to disclose the idea to her over the telephone.\textsuperscript{71} Further, as Wilder's secretary and Desny both understood that payment was expected upon subsequent use, the court concluded that the third prong of the test was satisfied.\textsuperscript{72} Finally, to ascertain whether Wilder misappropriated Desny's idea, the court conducted a thorough analysis of Desny's idea and Wilder's film. In the comparison, the court pointed to many similar novel and non-novel elements of the works.\textsuperscript{73}

Thus, the Desny court suggested that an offeree might enter into a contract for ideas, regardless of their novelty.\textsuperscript{74} Lower courts immediately followed this suggestion.

\textbf{b. Chandler v. Roach}

A year after Desny, the California Court of Appeal considered

\textsuperscript{68} Desny, 299 P.2d at 273-74.
\textsuperscript{69} Id. at 273. The court's test of value is somewhat suspect. The court started with an idea disclosure that may or may not have been "valuable." The court then inferred value by the idea's subsequent use. This analysis begs the question.

Common practice in certain industries is for an idea person to offer to sell his or her idea to more than one party at a time. If, for example, an idea person in the entertainment industry offers to and discloses an idea for a film to 10 producers and only one uses the idea, the court cannot logically define the idea as both valuable for one producer and valueless for the others. Moreover, if an idea disclosure alone suffices as consideration for a promise to pay, why must it be valuable? The court's requirement of value suggests that its understanding of consideration encompasses an element of the old novelty requirement.

\textsuperscript{70} Id. at 277.
\textsuperscript{71} Id. at 274.
\textsuperscript{72} Id. at 262.
\textsuperscript{73} Desny, 299 P.2d at 274.
\textsuperscript{74} Id. at 273. The court stated:

[T]he fact that the plaintiff used the public domain material in constructing his story and synopsis would afford no justification whatsoever for defendants to appropriate plaintiff's composition and use it or any part of it in the production of a photoplay—and this, of course, includes the writing of a scenario for it—without compensating plaintiff for the value of his story. And . . . that the basic idea for the photoplay had been conveyed to defendants before they saw plaintiff's synopsis, would not preclude the finding of an implied (inferred-in-fact) contract to pay for the manuscript, including its implemented idea, if they used such manuscript.

\textit{Id.} at 277.
Chandler v. Roach,\textsuperscript{75} an idea disclosure action brought under a breach of implied contract theory.\textsuperscript{76} The court began its analysis by stating that mutual assent and consideration are required for a valid contract, whether implied or express.\textsuperscript{77} With a reasonable expectation of remuneration, a writer indicates agreement to enter into a contract by submitting his or her idea to a producer. The producer manifests acceptance of the contract by receiving the writer's idea.\textsuperscript{78}

Mutual assent, therefore, is inferred from the attending circumstances.\textsuperscript{79} This includes the producer's promise to pay if the producer uses the idea. Disclosure, not novelty, represents consideration for that promise. The Weitzenkorn limitation that the idea must be valuable applies to the promise.\textsuperscript{80}

The Chandler court reasoned that "if a producer obligates himself to pay for the disclosure of an idea, whether it is for protectible or unprotectible material, in return for disclosure thereof he should be compelled to hold to his promise."\textsuperscript{81} Noting that a writer and producer may enter into any contract,\textsuperscript{82} the court concluded that although the producer may later realize that the disclosed idea was common knowledge, and even though the material he or she purchased was abstract and unprotectible,\textsuperscript{83} the producer may not use this fact as a defense to any claim made by the writer.\textsuperscript{84}

The court explained that, in the entertainment industry, writers or idea persons first submit ideas to a show's producer.\textsuperscript{85} These ideas do not become complete works unless the producer purchases them. Consequently, a court must provide some form of protection to an artist's ideas that are embodied in incomplete works.\textsuperscript{86} To require novelty or concreteness, the court concluded, would be to apply the

\textsuperscript{76} In this case, Chandler, a professional writer, submitted an idea to defendant Roach in both oral and written form. \textit{Id.} at 778. After Roach's attorneys prepared a contract to finalize the deal, Roach, without signing the agreement, produced a television series similar to the idea suggested by Chandler. \textit{Id.}
\textsuperscript{77} \textit{Id.} at 780.
\textsuperscript{78} \textit{Id.}
\textsuperscript{79} \textit{Id.}
\textsuperscript{80} Chandler, 319 P.2d at 780.
\textsuperscript{81} \textit{Id.} at 781.
\textsuperscript{82} \textit{Id.}
\textsuperscript{83} \textit{Id.}
\textsuperscript{84} \textit{Id.}
\textsuperscript{85} Chandler, 319 P.2d at 781.
\textsuperscript{86} \textit{Id.}
law of copyright erroneously. Further, since the court considered disclosure sufficient consideration, application of the novelty test would have required questioning the adequacy of the consideration, which courts traditionally do not allow. Instead, the Chandler court required only sufficient concreteness to satisfy the requirement of consideration for the contract. Thus, the Chandler court, relying on the broad language in Desny, afforded even greater idea protection than previous courts by extending the implied contract theory to ideas lacking novelty.

c. Donahue v. Ziv Television Programs, Inc.

In Donahue v. Ziv Television Programs, Inc., the California Court of Appeal again examined the laws on idea disclosure. Like the Chandler court, the Ziv court held that an idea need not be novel or concrete to be the subject matter of a contract. Rather, since the idea's disclosure might render a substantial benefit to the person to whom it is disclosed, the disclosure generally suffices as consideration for the contract.

The court reasoned that, since individuals can contract for non-novel ideas, reading a novelty requirement into an implied contract for an idea cannot be justified. Further, even if a contract does not expressly negate the novelty requirement, it is unreasonable to assume an offeree sought or expected novelty. The court concluded that the use of an idea subsequent to its disclosure indicates that the offeree sought the idea regardless of novelty.

According to the Ziv court, disclosure is adequate consideration for a promise, subject to the caveat that the offeree must have an op-

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87. Id. at 782.
88. Id.
89. Id. The court understood "sufficient concreteness" to mean "sufficient development of the idea." Id.
90. 54 Cal. Rptr. 130 (Dist. Ct. App. 1966).
91. In Ziv, Donahue submitted an idea for a television series to Ziv. Although the parties entered into negotiations for the idea disclosure, they never signed a contract. Ziv subsequently produced a television series similar to Donahue's idea. Id. at 132-33.
92. Id. at 134.
93. Id. (citing Desny v. Wilder, 299 P.2d 257 (Cal. 1956); Weitzenkorn v. Lesser, 256 P.2d 947 (Cal. 1953); Stanley v. Columbia Broadcasting Sys., Inc., 221 P.2d 73, 84 (Cal. 1950) (Traynor, J., dissenting)).
94. Id. at 142 (citing 3 NIMMER & NIMMER, supra note 6, § 173.02).
95. Ziv Television Programs, Inc., 54 Cal. Rptr. at 142 (citing 3 NIMMER & NIMMER, supra note 6, § 173.02).
portunity to reject disclosure on the terms offered. This caveat protects the offeree against disclosures offered gratuitously. The idea person's solicited ideas, however, are protected against misappropriation. The court reasoned:

If it is unfair, in an idea case, to bind the defendant to a contract without giving him an opportunity to reject the proffered disclosure, it is equally unfair to let the idea person make his disclosure under circumstances which reek of authority without giving him an opportunity to refuse disclosure to someone who has the actual power to deal.

This puts producers on notice that anyone acting with real or apparent authority can, in the producer's name, enter into a contract with an offeror on terms objectively proved by the circumstances.

The Ziv court purportedly relied on the Desny and Weitzenkorn courts' interpretations of express and implied contracts. The language of the opinion, however, suggests that the court actually relied on Professor Melville Nimmer's analysis for an implied-in-fact contract in reaching its conclusion. The court reasoned that the only difference between an express and implied contract is that in an express contract the promise is in either written or spoken words, while in an implied contract the promise is implied by the offeree's con-
duct.\textsuperscript{102} This is, in reality, Professor Nimmer's analysis of implied and express contracts. Thus, Professor Nimmer's tenet, as adopted by the Ziv court, applies equally to express and implied-in-fact contracts.

The Ziv court stated that an idea "may be valuable to the person to whom it is disclosed simply because the disclosure takes place at the right time."\textsuperscript{103} The idea, therefore, has value at the time of disclosure. Proof of the idea's value is evidenced by its subsequent use. This suggests that courts, in order to provide an offeree some protection, will require that an idea have some value, even if it is not novel. However, courts find value easily. In Ziv, the court concluded that the success of the television series produced by Ziv showed that someone "submitted a valuable idea to Ziv."\textsuperscript{104}

After finding value, the court must determine whether or not the defendant actually used the plaintiff's idea. It does this by measuring the similarity between the two pieces. Using a test of similarity, the Ziv court had little difficulty finding ample evidence that Ziv had used Donahue's idea.\textsuperscript{105} However, Donahue did not base his claim upon the stories' similarity, but rather on the stories' format.\textsuperscript{106} Both stories were based on skin-divers who utilized their abilities to aid law enforcement on the seas.\textsuperscript{107} The court, therefore, found sufficient similarity between Donahue's work and Ziv's television series to reverse a lower court judgment in favor of Ziv and to remand for a new trial.\textsuperscript{108}

d. Blaustein v. Burton

The California Court of Appeal extended idea protection to its logical extreme in Blaustein v. Burton.\textsuperscript{109} While cases prior to Blaustein all involved written submissions,\textsuperscript{110} Blaustein involved only an oral disclosure.\textsuperscript{111} Blaustein orally submitted an idea to Burton's

\textsuperscript{102.} Ziv Television Programs, Inc., 54 Cal. Rptr. at 137 n.8.
\textsuperscript{103.} Id. at 134.
\textsuperscript{104.} Id.
\textsuperscript{105.} Id.
\textsuperscript{106.} Id. at 142.
\textsuperscript{107.} Ziv Television Programs, Inc., 54 Cal. Rptr. at 133-34.
\textsuperscript{108.} Id. at 143.
\textsuperscript{109.} 88 Cal. Rptr. 319 (Ct. App. 1970).
\textsuperscript{111.} Blaustein, 88 Cal. Rptr. at 322-25.
agent for a film based on *The Taming of the Shrew*. Although the idea was not novel since the play had already been made into a film, Blaustein claimed protection for his disclosure under an implied-in-fact contract theory.

Following Ziv, the Blaustein court stated that a person who conveys a valuable idea may recover damages if the idea was solicited or voluntarily accepted by the offeree who knew that the idea was tendered for a price. The court also followed the Ziv analysis as to the formation of express and implied contracts, stating that both types of contracts require a meeting of the minds and only differ as to the "character of the evidence by which they are established."

The Blaustein court concluded that it is not unreasonable for an offeree to obligate himself to pay for an idea that the offeree may otherwise freely use, but cannot because the offeree lacks the requisite knowledge. The act of disclosure itself is a service for which the offeree pays. The court reasoned that if an offeree uses an idea, the offeree must pay the offeror its reasonable value. Since Burton produced a film based on Blaustein’s disclosure, the idea clearly had value. Thus, the circumstances under which the disclosure was made, combined with the subsequent use of Blaustein’s idea, led the court to conclude that Blaustein’s idea was protectible under an implied-in-fact contract theory.


California courts now protect idea disclosures under both express and implied-in-fact contract theories. Since the act of disclosure suffices as consideration for a contract, novelty is a non-issue. This understanding of the law derives from California appellate decisions that expansively interpreted *Desny*, a California Supreme Court decision.

Although the *Desny* court purportedly adopted Justice Traynor's

112. *Id.* at 322.
113. *Id.* at 326.
114. *Id.* at 321.
115. *Id.* at 330.
117. *Id.* at 334.
118. *Id.* at 333.
119. *Id.* at 334.
120. *See supra* text accompanying notes 75-119.
dissent in *Stanley* as the rule of California,122 Justice Traynor’s dissent was extremely narrow and quite specific: non-novel ideas can be protected either by express contract, or through court-created implied-in-fact contracts based upon an express oral agreement or unequivocal conduct manifesting an agreement to contract for novel and non-novel ideas.123 The *Desny* court, however, liberally construed Justice Traynor’s requirements for an implied contract, explaining that “[t]he elements requisite for an informal contract . . . are identical whether they are expressly stated or implied in fact.”124 The only difference is the manner into which the contract is entered.125 An express oral agreement is based on a direct expression of intent by the parties.126 An implied agreement, which is just as valid and binding as an express oral agreement, differs only in that the promise is inferred from the behavior of the parties after entering into the agreement.127

Whether such an implied agreement exists, the *Desny* court concluded, is determined objectively. That is, an idea disclosure is protectible as an implied-in-fact contract if a “reasonable person” would believe the parties had entered into such a contract.128 Thus, Justice Traynor’s exacting “unequivocal” standard was lowered to a “reasonable person” standard. Whereas the former must be overwhelmingly

22-119 and infra text accompanying notes 122-38 for a detailed discussion of the development of California law and its current status.

122. See *Stanley v. Columbia Broadcasting Sys., Inc.*, 221 P.2d 73, 84 (Cal. 1950) (Traynor, J., dissenting). For an analysis of Justice Traynor’s dissent in *Stanley*, see supra text accompanying notes 30-44.


124. *Desny*, 299 P.2d at 267 (citing 1 SAMUEL WILLISTON, A TREATISE ON THE LAW OF CONTRACTS 8 (3d ed. 1961)).

125. Id.

126. Id.

127. Id. This reasoning does not withstand closer scrutiny. When one party states to another that he or she will pay for an idea regardless of novelty, both parties understand that the disclosure of the idea constitutes consideration for an implied contract. The connection becomes somewhat tenuous, however, when the promise is implied after the fact from the attending circumstances. For example, a writer may offer a film producer the rights to a story about a man who somehow “succeeds against all odds.” Even if the writer details his story with some particularity, since the theme appears in countless films, it is likely that the producer has heard of, or is aware of, similar stories. Why then, if the producer produces a film with a similar storyline, should the court infer that his behavior implied a promise to pay the writer for such an idea? Despite the similarity between the producer’s film and the writer’s idea, the producer can probably point to many other films that were the source of his inspiration. Furthermore, if the producer knew the idea’s contents before disclosure, he probably would not have promised to pay for its use. Thus, the circumstances attending disclosure are not always a reliable indicator of an implied promise.

128. Id. at 267.
Idea Protection demonstrated by the evidence, the latter only requires such evidence that would lead a reasonable person to find an implied-in-fact contract arose.

In Chandler,129 Ziv,130 and Blaustein,131 the California Court of Appeal, relying on Desny's broad language, repeatedly concluded that disclosure, not novelty, supplies the consideration for a contract.132 Consequently, novel and non-novel ideas may be protected under either express or implied-in-fact contracts.133 For example, in Chandler, the court concluded that there is no reason to require novelty and concreteness for an implied contract.134 The court reasoned that an author should be treated the same as any other person found to have entered into an implied contract.135 Since neither party contemplated the requirement of novelty, and this requirement is not engrafted into implied contracts in other areas, the Chandler court concluded that it should refrain from arbitrarily adding the novelty and concreteness requirements to implied contracts in the idea disclosure domain, and should let parties contract as they see fit.136 Professor Nimmer, in his copyright treatise, argues that this is the better approach, because it is unfair to deprive an idea person of the protections available to anyone else under contract theory.137

Thus, according to Chandler and the appellate decisions that followed, novelty is not a prerequisite to idea disclosure protection under express and implied-in-fact contract theories. Although California appellate court decisions set precedent only for courts below them, the California Supreme Court arguably adheres to this approach. The parties in Chandler and Ziv both appealed, and each time the California Supreme Court denied the petitions for rehearing.138 While this is not dispositive, it gives added significance to the appellate decisions. It suggests that the California Supreme Court approves of these deci-

129. For a discussion of this case, see supra text accompanying notes 75-89.
130. For a discussion of this case, see supra text accompanying notes 90-108.
131. For a discussion of this case, see supra text accompanying notes 109-119.
132. Chandler, 319 P.2d at 782; Ziv Television Programs, Inc., 54 Cal. Rptr. at 134; Blaustein, 88 Cal. Rptr. at 333.
133. See, e.g., Chandler, 319 P.2d at 780.
134. Chandler made no property right claim, which would necessarily have to meet the originality and concreteness requirements of copyright law. Rather, he based his claim on an implied-in-fact contract. Id. at 781.
135. Id.
136. Id. at 781-82.
137. See generally 3 NIMMER & NIMMER, supra note 6, §§ 16.05-16.08.
138. Chandler, 319 P.2d at 783; Ziv Television Programs, Inc., 54 Cal. Rptr. at 143.
sions, because twice it has had the opportunity to clarify the law and has declined to do so.

B. New York

New York courts, during the latter part of the nineteenth and early part of the twentieth centuries, declined to protect idea disclosures not offered under an express contract. Following a brief review of these early decisions, this section discusses *Soule v. Bon Ami Co.*,139 the most influential New York case in this area, and the two parallel lines of decisions that trace their inception to *Soule*. One line of authority concluded that non-novel ideas that require some effort to develop suffice as consideration for a contract. The other line of authority held to the contrary, concluding that non-novel ideas generally fail as consideration. Under this line of analysis, courts protected non-novel idea disclosures only when offered under an express contract. Finally, this section discusses current New York law, and focuses on whether novelty is a prerequisite to idea disclosure protection under either an express or implied contract theory.

1. The Development of New York Law

In early decisions, New York courts held that idea disclosures made without the benefit of a contract were gratuitous.140 Consequently, the idea’s originator held no protectible property right in the idea and could not recover.141 These courts, however, were quite willing to protect idea disclosures offered under contract,142 but did not

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140. See, e.g., *Bristol v. Equitable Life Assur. Soc’y of United States*, 30 N.E. 506 (N.Y. 1892); *Haskins v. Ryan*, 78 A. 566 (N.J. Ch. 1908). Although *Haskins v. Ryan* is a New Jersey Court of Chancery decision, decisions by courts in the Northeast are important to an analysis of New York legal developments because they were commonly relied upon by New York courts. Perhaps due to the close geographical proximity of the Northeastern states, each state in the area, particularly around the turn of the century, cited other state court decisions as authority for its own decisions. See, e.g., *Keller v. American Chair Co.*, 174 N.E. 74 (N.Y. 1930); *Fendler v. Morosco*, 171 N.E. 56 (N.Y. 1930).
141. *Bristol*, 30 N.E. at 507; *Haskins*, 78 A. at 567.
142. In *Bristol v. Equitable Life Assurance Society of United States*, the New York Court of Appeals suggested in dicta that an idea disclosure might be protectible under a contract theory. *Bristol*, 30 N.E. at 506. The court reasoned that if an idea cannot be sold or negotiated without the originator first disclosing the idea, it is proper for that person to protect it under contract. *Id.*

Like *Bristol*, in *Haskins*, the New Jersey Court of Chancery concluded that valuable ideas, or ideas thought to be valuable, "may be the subject of bargain and sale." *Haskins*, 78 A. at 566. For a discussion of the California courts’ approach to finding “value,” see supra note 69 and accompanying text.
discuss whether novelty was a prerequisite to such protection.


In Soule v. Bon Ami Co., the most influential New York idea disclosure case to date, a New York trial court concluded that Soule and Bon Ami had entered into a valid contract under which Soule would disclose profitable information to Bon Ami in exchange for remuneration. The New York Appellate Division reversed, holding that although ideas may be the subject of a contract, the ideas must be valuable to supply consideration for the contract. Relying on Masline v. New York, N.H. & H.R. Co., the Appellate Division reasoned that an idea is valuable only if it is new or original. It

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144. Id. at 575. In this case, Soule submitted an idea to Bon Ami to help increase Bon Ami's profits. Soule did so with the understanding that if his idea increased Bon Ami's profits without hurting its sales, he would receive one-half of the increased profits. Soule's idea was that Bon Ami should raise the price it charged retailers, yet maintain the cost to consumers. While this idea was hardly novel, Bon Ami subsequently used it. Although it realized an increase in profits without any loss of sales, Bon Ami did not honor its informal agreement with Soule. Id.
145. Id. at 575-76.
146. 112 A. 639 (Conn. 1921).
147. Soule, 195 N.Y.S. at 576 (citing Masline, 112 A. at 639). In Masline, the Connecticut Supreme Court of Errors concluded that before an idea disclosure can supply consideration for a contract, the idea or information must be new. Masline, 112 A. at 640. By "new," the court meant that the idea must be novel. Id. The court began its analysis by defining information as "knowledge communicated." Reasoning that a "statement to one of what he already knows is not as to him information, but merely a statement of a fact already known," the court concluded that "information" means the imparting of information not already known. Id. The court's analysis is flawed. To illustrate the error in its reasoning, begin with the supposition that all school children in the United States learn about the American Revolution. Further suppose that this fact is learned and relearned several times during the course of one's education.

A, a good student in United States history, later becomes a movie producer. In need of an idea for a film, A telephones B and asks for suggestions. B suggests that A do a film on the American Revolution. This idea is not "new" in the sense that A previously learned about the American Revolution; however, it is "new" in the sense that A had never thought about making a film on the subject.

In addition, there is no reason to add the requirement that the idea be "new." When A asked B for suggestions, A probably did so either because B had some expertise as an idea person, or because A had been unable to come up with an idea of his or her own. A's prior knowledge is irrelevant, as it is B's judgment and knowledge upon which A relied.

Finally, the idea is "new" in the sense that A was unable to use it without B's disclosure. The idea may be well-known, common, or perhaps even trivial, but if A was unable to grasp it without B's disclosure, the idea is no different than one that is completely novel.

The Masline court concluded that when an offeror relays a non-novel idea, he or she is simply telling the offeree something he or she may already know, and the disclosure, therefore, fails as consideration. Id. at 641. This is exactly the reasoning rejected by California courts. 
concluded that Soule's idea was neither. Therefore, the contract failed for lack of consideration. The New York Court of Appeals affirmed. However, a majority of the court did not affirm on the ground that novelty was required, but instead held that Soule's case failed because he did not prove increased profits. Implicit in this decision is the possibility that the court would have reversed and found in favor of Soule had he proved profits, and that New York courts did not require novelty before protecting idea disclosures.

Following Soule, New York cases split into two lines of authority. The first line of authority consisted of cases decided shortly after Soule. These decisions recognized Soule's ruling, but concluded that novelty was not required when some effort was expended in developing an idea. Shortly after these cases, a second line of authority arose. This line followed the Soule Appellate Division's holding that required originality and novelty before an idea disclosure would suffice as consideration for a contract. Unlike the earlier cases that recognized and distinguished Soule, those that came later completely and inexplicably ignored it.

b. The First Line of Authority: Non-Novel Idea Disclosures That Require Some Effort to Develop Suffice as Consideration for a Contract and Will Be Protected

(i) Keller v. American Chain Co.

The New York Court of Appeals, in Keller v. American Chain Co., ruled that an idea disclosure that took some effort to develop suffices as consideration for a contract. The Keller court distinguished Soule from the facts before it by pointing out that in Soule the

In California, courts recognize that idea purveyors offer a service. The fact that an idea lacks novelty is irrelevant, since without the idea's disclosure the offeree could not make use of it. See supra text accompanying notes 22-138.

148. Soule, 195 N.Y.S. 575-76.
149. Id.
151. Id.
152. 174 N.E. 74 (N.Y. 1930).
153. Id. at 74-75. In this case, Keller orally submitted an idea to help the American Chain Company save money in its shipments. Although the parties did not execute a written agreement, they did discuss contract terms and reach a tentative oral agreement. Upon disclosure, however, American Chain Company used the idea, but did not honor its agreement with Keller. Id.
idea was common and well-known, whereas in *Keller* the idea was neither common nor well-known.\textsuperscript{154}

The *Keller* case marked the second time the New York Court of Appeals was given the opportunity to require novelty before protecting an idea disclosure,\textsuperscript{155} and the second time it declined the invitation. The case suggests that as long as some effort is expended in arriving at an idea on which a contract is based, and as long as that idea is not "common," the court will afford the idea protection.

(ii) *Gellert v. Dick*

In *Gellert v. Dick*,\textsuperscript{156} the New York Court of Appeals concluded that the act of disclosure supplies consideration for a contract.\textsuperscript{157} Unlike *Soule*, the *Gellert* court made no mention of novelty or originality requirements, nor did it discuss the fact that the idea in question could have been construed as open or common, as it was knowledge of public record. Perhaps, following *Keller*"s reasoning, the court found consideration because Gellert invested his own time and effort into discovering the information. Unfortunately, however, the court offered no explanation for its holding.


In *Cole v. Phillips H. Lord, Inc.,*\textsuperscript{158} the New York Appellate Di-

\textsuperscript{154} Id. Recognizing that *Soule* was affirmed on other grounds and acknowledging that prior cases did not protect common ideas, the *Keller* court concluded that the facts before it were much more favorable to Keller. *Id.* For example, Keller expended some effort in research to discover an advantageous shipping rate. *Id.* at 75. Therefore, even though the rates were public knowledge, the idea was not based on the type of knowledge that would make an idea common. Thus, the idea disclosure was sufficient consideration to support a contract, even though it lacked novelty. *Id.* Ultimately, however, Keller's case failed on other grounds. *Id.*

\textsuperscript{155} The New York Court of Appeals first passed on the opportunity to require novelty in *Soule v. Bon Ami Co.*, 139 N.E. 94, 134 (N.Y. 1923) (per curiam).

\textsuperscript{156} 13 N.E.2d 603 (N.Y. 1938). In this case, Dick and others agreed to pay a reasonable commission to Gellert if information Gellert provided led to the purchase of certain bonds. After buying the bonds, however, Dick did not honor his agreement with Gellert. *Id.* at 604.

\textsuperscript{157} *Id.* at 604. The court stated, "The... consideration was the conveying of the information..." *Id.* Approximately 20 years later, in *Desny v. Wilder*, 299 P.2d 257 (Cal. 1956), the California Supreme Court similarly ruled that the act of disclosure itself, and not the content of the idea, supplies consideration for a contract. *See supra* text accompanying notes 50-74. Lower California courts immediately followed suit. *See supra* text accompanying notes 75-138.

\textsuperscript{158} 28 N.Y.S.2d 404 (App. Div. 1941). In this case, Cole submitted a written script for a radio play to Phillips H. Lord, Inc., which later produced a similar radio program. *Id.*
vision concluded that an idea disclosure need not be novel if it was offered under an express contract. The court stated that an express contract affords a plaintiff protection “even as to his mere idea.”

This decision closely conforms to the decision rendered by the New York Court of Appeals in Keller, which also protected a non-novel idea under a tentative oral agreement.

(iv) High v. Trade Union Courier Publishing Corp.: Oral Disclosures Are Subject to Protection Under Express and Implied Contract Theories

In High v. Trade Union Courier Publishing Corp., the New York Supreme Court rejected the argument that an oral idea disclosure based on public knowledge does not constitute secret or confidential information and, therefore, does not supply consideration for the contract. The court concluded that an idea disclosure, “if valuable, may be the subject of contract.” In addition, the court concluded that although an idea may be common or open to public knowledge, as long as it is protected by a contract, it constitutes sufficient consideration to support a promise to pay. This is significant since requiring a “valuable” idea is not the same as requiring a “novel” one. It is beyond cavil that one who uses an idea obviously finds it valuable, whether or not the idea is novel.

trial, the company claimed that Lord, its president, independently created the program. Id. at 408.

159. Id. at 409.
160. Id.
161. Keller, 174 N.E. at 74-75. For a discussion of the Keller case, see supra text accompanying notes 152-55.
162. 69 N.Y.S.2d 526 (Sup. Ct. 1946).
163. Id. at 529.
164. Id.
165. Id. While the court’s conclusion is sound, its reasoning is somewhat suspect. To prove the adequacy of the consideration upon which a contract is based by the contract itself is somewhat circular.

Similar to this holding, under California law, an idea disclosure, if valuable, supplies consideration for a contract. California courts find value through an idea's use. This, too, is circular, and begs the question of the adequacy of the consideration. For a discussion of California’s approach to finding value, see supra note 69 and accompanying text.
c. The Second Line of Authority: Non-Novel Ideas Generally Fail as Consideration


In Williamson v. New York Central Railroad,\textsuperscript{166} the New York Appellate Division ruled that an implied contract cannot protect an abstract idea.\textsuperscript{167} Rather, according to the court, an abstract idea can only attain the status of a property right through an express contract entered into prior to the idea disclosure.\textsuperscript{168} In support of this conclusion, the court cited the New York Court of Appeals case of Bristol v. Equitable Life Assurance Society of United States.\textsuperscript{169}

The Williamson court apparently understood the Bristol case as requiring novelty.\textsuperscript{170} This reading of Bristol, however, is clearly erroneous. The pertinent language in Bristol states that "it would seem proper that some contract should guard or regulate the disclosure."\textsuperscript{171} The Bristol court never stated that an abstract idea is protectible only under an express contract. In fact, Bristol's language suggests the exact opposite: the disclosure of an abstract idea is protectible under an implied contract. If the court meant that protection should be given to an abstract idea only under an express contract, it would have had no reason to include the word "some" in the phrase "some contract." Inclusion of the word is either superfluous or intentional, and if it was intentional, the Bristol court's language necessarily includes contracts entered into impliedly.\textsuperscript{172}

\textsuperscript{166} 16 N.Y.S.2d 217 (App. Div. 1939). In this case, Williamson pitched an idea to the New York Central Railroad for the production and staging of an exhibit at the New York World's Fair. The parties did not enter into an express contract but, after Williamson's disclosure, the railroad used the idea without compensating Williamson. \textit{Id.} at 217.

\textsuperscript{167} Id. Although Williamson was decided after Keller, the court conspicuously failed to consider the earlier Court of Appeals' decision.

\textsuperscript{168} Id.

\textsuperscript{169} Id. (citing Bristol v. Equitable Life Assur. Soc'y of United States, 30 N.E. 506 (N.Y. 1892)). For a discussion of the Bristol case, see supra note 142.

\textsuperscript{170} See Williamson, 16 N.Y.S.2d at 217.

\textsuperscript{171} Bristol, 30 N.E. at 507 (emphasis added).

\textsuperscript{172} A number of federal court cases have interpreted Bristol as including express contracts, implied contracts, and quasi-contractual recovery. See, e.g., O'Brien v. R.K.O. Radio Pictures, Inc., 68 F. Supp. 13 (S.D.N.Y. 1946) (holding that an idea treated as a business proposition cannot be protected without the benefit of an express or implied contract); Matarese v. Moore-McCormack Lines, Inc., 158 F.2d 631 (2d Cir. 1946) (citing Bristol as the leading case standing for the proposition that quasi-contractual recovery is called for when one knowingly uses the product of another's brain without giving just compensation); Galanis v.
Other New York courts similarly refused to protect non-novel idea disclosures under implied contract theory. For example, in *Bram v. Dannon Milk Products, Inc.*, the New York Appellate Division held that "lack of novelty in an idea [disclosure] is fatal to any cause of action for its unlawful use," even if the disclosure was made gratuitously. See *Desny v. Wilder*, 299 P.2d 257, 270 (Cal. 1956). For a discussion of the Desny case, see supra text accompanying notes 50-74. The *McGhan* court also concluded that an idea must be novel and concrete to be protected under New York law. *McGhan*, 608 F. Supp. at 284. If a plaintiff's idea is novel and concrete, according to the court, a claim of misappropriation can be brought under one of three theories: express contract, implied contract, or quasi-contract. *Id.*

For example, in *Anderson v. Distler*, 17 N.Y.S.2d 674 (Sup. Ct. 1940), the Supreme Court of New York followed *Williamson* and concluded that no property right exists in an idea unless the idea is novel. *Id.* at 678. In addition, according to the court, if an idea is not in concrete form at the time of disclosure, no property right exists in the idea, and it cannot be the subject of a contract. *Id.* However, neither the *Anderson* nor the *Williamson* court explained the meaning of this latter requirement. Apparently, both courts required as a prerequisite to idea protection that a disclosure be reduced to a concrete form, such as a writing. This approach, however, leads to trouble. One can easily imagine a situation in which an idea person discloses his or her idea before reducing it to written form. According to the *Anderson* analysis, at the time of this disclosure, the offeree may simply sit quietly, listen to the disclosure, and later make use of the idea as his or her own.

The *Anderson* court concluded, based on the *Williamson* court's interpretation of *Bristol*, that protection attaches only to ideas offered under express contracts. *Id.* Given the usual disparity in bargaining power between an idea person and an offeree, the likelihood of entering into an express contract prior to disclosure is virtually nonexistent. Essentially, this leaves an idea person without any protection.

Although the language of the *Anderson* ruling was harsh, the result was quite just. Under *Anderson* 's facts, a novelty analysis was unnecessary. The disclosure was most certainly gratuitous, as there was no understanding between Anderson and Distler that the idea was being offered with the expectation of compensation. Thus, the laws of contract preclude recovery. In addition, the court could have found, under an agency theory, that Anderson's suggestion was made in the course of his employment.

Finally, the *Anderson* court introduced two new concepts to the field of idea disclosures: a disclosure is protectible either under the aegis of a business opportunity or under a quasi-contract theory. *Id.* at 679. The term "business opportunity" refers to tips regarding commercial ventures that result in profit.

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Procter and Gamble Corp., 153 F. Supp. 34 (S.D.N.Y. 1957) (holding that by gratuitously disclosing an idea, an offeror loses any right to the exclusive use of the idea, but can recover under quantum meruit); Werlin v. Reader's Digest Assoc., 528 F. Supp. 451 (S.D.N.Y. 1981) (holding that although the plaintiff was not entitled to recovery under an implied contract, he was allowed to recover under quantum meruit).

In *McGhan v. Ebersol*, 608 F. Supp. 277 (S.D.N.Y. 1985), the Southern District Court of New York provided an interesting interpretation of New York law. The court stated that New York courts afford protection to offerors who disclose their ideas to others expecting compensation if the idea is used. *Id.* at 284 (citing Vantage Point, Inc. v. Parker Bros., Inc., 529 F. Supp. 1204, 1216 (E.D.N.Y. 1981)). This language reads like the requirements *Desny* laid down for protection of idea disclosures. See *Desny v. Wilder*, 299 P.2d 257, 270 (Cal. 1956). For a discussion of the Desny case, see supra text accompanying notes 50-74. The *McGhan* court also concluded that an idea must be novel and concrete to be protected under New York law. *McGhan*, 608 F. Supp. at 284. If a plaintiff's idea is novel and concrete, according to the court, a claim of misappropriation can be brought under one of three theories: express contract, implied contract, or quasi-contract. *Id.*

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*Anderson v. Distler*, 17 N.Y.S.2d 674 (Sup. Ct. 1940), the Supreme Court of New York followed *Williamson* and concluded that no property right exists in an idea unless the idea is novel. *Id.* at 678. In addition, according to the court, if an idea is not in concrete form at the time of disclosure, no property right exists in the idea, and it cannot be the subject of a contract. *Id.* However, neither the *Anderson* nor the *Williamson* court explained the meaning of this latter requirement. Apparently, both courts required as a prerequisite to idea protection that a disclosure be reduced to a concrete form, such as a writing. This approach, however, leads to trouble. One can easily imagine a situation in which an idea person discloses his or her idea before reducing it to written form. According to the *Anderson* analysis, at the time of this disclosure, the offeree may simply sit quietly, listen to the disclosure, and later make use of the idea as his or her own.

The *Anderson* court concluded, based on the *Williamson* court's interpretation of *Bristol*, that protection attaches only to ideas offered under express contracts. *Id.* Given the usual disparity in bargaining power between an idea person and an offeree, the likelihood of entering into an express contract prior to disclosure is virtually nonexistent. Essentially, this leaves an idea person without any protection.

Although the language of the *Anderson* ruling was harsh, the result was quite just. Under *Anderson* 's facts, a novelty analysis was unnecessary. The disclosure was most certainly gratuitous, as there was no understanding between Anderson and Distler that the idea was being offered with the expectation of compensation. Thus, the laws of contract preclude recovery. In addition, the court could have found, under an agency theory, that Anderson's suggestion was made in the course of his employment.

Finally, the *Anderson* court introduced two new concepts to the field of idea disclosures: a disclosure is protectible either under the aegis of a business opportunity or under a quasi-contract theory. *Id.* at 679. The term "business opportunity" refers to tips regarding commercial ventures that result in profit.

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*Bristol*, 17 N.Y.S.2d 674 (Sup. Ct. 1940).

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after entering into an oral agreement.175

Although the sweeping language of the Bram court's decision implies that a non-novel idea can never be the basis of a contract in New York, the ruling probably leaves undisturbed prior rulings that one can expressly contract for a non-novel idea.176 Otherwise, the decision would directly conflict with the Keller177 and Gellert178 decisions, wherein the New York Court of Appeals held that a non-novel idea is protectible either under an express contract, or under an implied-in-fact contract if disclosure occurred after the parties had entered into an oral agreement.179 Perhaps what distinguishes Bram from Keller and Gellert is that Bram's idea was non-novel and required little effort on his part. In contrast, Keller and Gellert both involved ideas that required some research and creativity on the part of the offerors.180

175. Id.
177. For a discussion of the Keller case, see supra text accompanying notes 152-55.
178. For a discussion of the Gellert case, see supra text accompanying notes 156-57.
180. See generally Keller, 174 N.E. at 74-75; Gellert, 13 N.E.2d at 603-04.

In Educational Sales Programs, Inc. v. Dreyfus Corp., 317 N.Y.S.2d 840 (Sup. Ct. 1970), the New York Supreme Court denied protection to a non-novel idea disclosure that took some effort and thought to develop. Id. at 870. To reach this holding, the court followed the Appellate Division's decision in Soule and the Court of Appeals' decision in Bristol, and concluded that an idea must be novel before it will suffice as consideration for a contract. Id. at 869 (citing Soule v. Bon Ami Co., 195 N.Y.S. 574 (App. Div. 1922); Bristol v. Equitable Life Assur. Soc'y of United States, 30 N.E. 506 (N.Y. 1892)). While it relied on Soule and Bristol, the court completely ignored Keller, Gellert, and Cole, cases that were particularly apposite to the facts in Educational Sales.

The general holding of Bristol did not apply to Educational Sales. In Bristol, the idea disclosure was gratuitous. Bristol, 30 N.E. at 507. In Educational Sales, the plaintiff disclosed the idea only after the defendant assured him that if they could not reach an agreement, the defendant would not use the idea. Educational Sales Programs, Inc., 317 N.Y.S.2d at 841. Similarly, Soule is distinguishable because Soule's idea was common knowledge. Soule, 195 N.Y.S. at 575-76. Although the defendant in Educational Sales experimented with an idea similar to the one disclosed by the plaintiff, it was unable to find an idea that was practicable. Educational Sales Programs, Inc., 317 N.Y.S.2d at 841. Thus, the plaintiff's idea was not common knowledge, and should have been afforded some protection.

Given the language of the Keller and Gellert decisions, New York's lower courts should have felt compelled to protect non-novel idea disclosures that took some effort and thought to develop, whether or not the disclosures were made pursuant to express contracts. Clearly, both parties in Educational Sales considered the possibility that an express contract might not be reached when they discussed the terms of their agreement. Prior to disclosure, the defendant agreed to keep the information confidential if an agreement was not reached. Id. As a contract based on an idea disclosure is usually executed after disclosure, the terms of an informal agreement must be admitted and respected. Otherwise, the offeror is afforded no protec-
(iii) Downey v. General Foods Corp.

In Downey v. General Foods Corp.,181 the New York Court of Appeals adopted the Appellate Division's decision in Soule as the law of New York.182 The court concluded that no property right exists in an idea that lacks novelty and originality; and, therefore, the court denied Downey's idea disclosure protection.183 This decision is consistent with earlier New York decisions that afforded non-novel ideas protection only if they were disclosed after the parties had entered into an express agreement.184

Unfortunately, the Downey court failed to discuss Keller or Gel-lert. While the Downey decision overturned Gellert sub silentio, the court's conspicuous failure to discuss Keller may indicate that it meant to narrow the breadth of the Keller holding without actually overturning the decision.


In Murray v. National Broadcasting Co.,185 the New York Dis-trict Court, relying on earlier state court cases, held that novelty and originality are required before an idea disclosure is protectible.186 The court reasoned that a non-novel idea does not constitute property and, therefore, the offeror of a non-novel idea cannot recover for the idea's unlawful use.187 Finding Murray's idea neither novel nor original, the district court denied recovery under both implied contract and unjust enrichment theories,188 and granted NBC's motion for summary
denial, and the free exchange of ideas is completely undermined. Certainly, at a minimum, the plaintiff's idea should have been protected under a breach of confidence theory.

182. Id. at 259 (citing Soule, 195 N.Y.S. at 575).
183. Id.
185. 671 F. Supp. 236 (S.D.N.Y. 1987). In this case, Murray submitted several ideas for possible television series to the National Broadcasting Company ("NBC"). Id. One suggestion was that NBC produce a program about a black middle-class family, starring Bill Cosby. Id. at 238. Subsequent to Murray's submission, NBC began producing and broadcasting The Cosby Show. Id. at 238.
186. Id. at 239-45 (citing Downey, 286 N.E.2d at 257 (holding that the court will infer that an offeree made no promise to pay for an idea's use if that idea is neither novel nor original); Ed Graham Prods., Inc. v. National Broadcasting Co., 347 N.Y.S.2d 766 (Sup. Ct. 1973) (holding that no cause of action exists for an idea that completely lacks novelty)).
187. Id. at 245.
188. Id. Regarding recovery under theories of unjust enrichment or implied contract, the court stated, "Defendants cannot have enriched themselves at the expense of the plaintiff since plaintiff had nothing of value to confer." Id.

The reasoning in support of this conclusion is obviously flawed. Returning to the illustra-
Idea Protection

On appeal, the Court of Appeals for the Second Circuit upheld the district court's decision. The Second Circuit concluded that New York law requires novelty and originality before an idea is protectible as a property interest. It reasoned that where an idea consists of little more than a variation on a basic theme, it lacks novelty. As a result, New York courts will not protect non-novel ideas as a property interest.


a. Express Contracts

New York courts unequivocally protect both novel and non-novel idea disclosures made under written contracts. In Miller v. Universal Pictures Co., the New York Court of Appeals clearly extended this protection to include non-novel ideas offered subject to express contracts. The Miller court stated, "The fundamental law is that where there is an agreement in writing the parties to the contract must remain faithful to its terms whether or not the disclosure is novel or original."

Whether New York courts require novelty before protecting idea disclosures made under express oral agreements is unclear because of the parallel lines of authority that developed. Some courts have ruled that express oral agreements protect novel and non-novel ideas. For example, in Gellert, the New York Court of Appeals concluded that...
an idea disclosure based on open and common knowledge suffices as consideration for an oral agreement. In *Herwitz v. National Broadcasting Co.*, a New York District Court similarly ruled that New York law permits recovery for the misappropriation of ideas disclosed under either an express or implied contract. In *Krisel v. Duran*, a New York District Court concluded that New York state courts protect valuable idea disclosures made under express oral agreements, even if the ideas lack novelty. Thus, a solid line of cases concludes that protection extends to novel and non-novel idea disclosures made under express oral agreements.

Other courts, however, have required novelty before protecting idea disclosures made under express oral agreements. For example, the New York Supreme Court, in *Educational Sales Programs, Inc. v. Dreyfus Corp.*, concluded that an express oral agreement failed because it was founded on a non-novel idea. The *Educational Sales* court, utilizing a property analysis, reasoned that novelty supplies the consideration for a contract. Thus, a contract based on a non-novel idea disclosure necessarily fails for lack of consideration. The *Educational Sales* court concluded that non-novel ideas are protected only under express written contracts.

198. Gellert v. Dick, 13 N.E.2d 603, 604 (N.Y. 1938). This holding is consistent with earlier New York Court of Appeals decisions, such as *Keller*, where the court held that an idea disclosure suffices as consideration for an oral agreement. Keller v. American Chain Co., 174 N.E. 74, 75 (N.Y. 1930).


200. Id. at 236.


202. Id. at 860.


204. Id. At trial, the jury found that no express agreement existed between plaintiff Abelow and defendant Epstein. Id. The evidence, however, suggested that no written agreement existed. In this case, Abelow offered to disclose an idea to Epstein subject to the condition that if the parties could not reach an agreement, Epstein would not use the idea. Epstein orally agreed to this condition. Id. at 841. Clearly, an express oral agreement existed, and the court ruled that this agreement failed for want of consideration since the idea disclosure lacked novelty. Id. at 843-44.

205. Id. at 844.

206. Id. at 845.

207. Id. (citing High v. Trade Union Courier Pub. Corp., 69 N.Y.S.2d 526 (Sup. Ct. 1946)). The *High* case, however, stood directly for the proposition that courts afford protection to express oral agreements for non-novel idea disclosures. *High*, 69 N.Y.S.2d at 529. Thus, rather than resolving a difficult point of law, *Educational Sales* contributed more confusion to an already difficult area. One can harmonize the holding in *Educational Sales* with other New York decisions only by limiting it to implied-in-fact contracts inferred from the participants' behavior.
In Downey, the New York Court of Appeals, without overruling either Miller or Gellert, also ruled that the lack of novelty is fatal to any cause of action based on the misappropriation of an idea disclosure.\(^\text{208}\) The court reasoned that since no property right inheres in a non-novel idea, no promise to pay can be inferred from its use.\(^\text{209}\) Thus, one should be aware of the two contradictory lines of authority in this area.

### b. Implied-in-Fact Contracts

#### (i) Novel Ideas

In McGhan v. Ebersol,\(^\text{210}\) a New York District Court concluded that New York state courts protect novel ideas under the theories of implied-in-fact contract, express contract, and quasi-contract.\(^\text{211}\) In Anderson v. Distler,\(^\text{212}\) however, a New York Supreme Court concluded that novel ideas are subject to protection only by express contract.\(^\text{213}\) Although never overruled, Anderson is of questionable value since the very next year the New York Appellate Division, in Cole v. Phillips H. Lord, Inc., ruled that a novel idea disclosure can be the subject of an implied contract.\(^\text{214}\)

#### (ii) Non-Novel Ideas

New York courts generally will not protect non-novel idea dis-


\(^{209}\) Id. Interestingly, the Downey court cited the Soule Appellate Division decision and its progeny in support of its decision, without discussing the line of authority that concluded that the act of disclosure suffices as consideration for an implied contract. Id. (citing, in part, Bram v. Dannon Milk Prod., Inc., 307 N.Y.S.2d 571 (App. Div. 1970); Soule v. Bon Ami Co., 195 N.Y.S. 574 (App. Div. 1922)).

New York courts that use property theory to ascertain whether an idea disclosure is protectible inexplicably omit discussion of contrary New York decisions. See, e.g., Downey, 286 N.E.2d at 257. Courts that have held that disclosure supplies consideration for a contract, however, generally discuss contrary authority and reject it as a property-copyright analysis. See, e.g., Krisel, 258 F. Supp. at 860 n.59.


\(^{211}\) Id. at 284 (citing Vantage Point, Inc. v. Parker Bros., Inc., 529 F. Supp. 1204, 1216 (E.D.N.Y. 1981), aff'd without opinion sub nom. Vantage Point, Inc. v. Milton Bradley, 697 F.2d 301 (2d Cir. 1982)). Aside from the novelty requirement, the McGhan court ruled that the burden of proving an implied contract can be satisfied by offering into evidence industry custom or usage. Id. at 285.

\(^{212}\) 17 N.Y.S.2d 674 (Sup. Ct. 1940).

\(^{213}\) Id. at 678.

closures made under implied-in-fact contracts, although some authority exists to support the opposite proposition. In Downey, the New York Court of Appeals ruled that an implied agreement fails if the idea disclosure on which it is founded lacks novelty. In Lehman v. Dow Jones & Co., the Second Circuit Court of Appeals stated that New York state courts infer no promises to pay for non-novel ideas. This conclusion is consistent with New York state courts holding that non-novel ideas do not supply consideration for implied contracts.

C. Great Britain

British law, unlike its United States counterparts, primarily protects idea disclosures under a breach of confidence theory. To deserve such protection, however, disclosures must provide a new twist or slant on old material. In other words, ideas must be novel before British courts will afford protection.

This section begins with a discussion of the seminal British case in this area, Prince Albert v. Strange, which sets forth the British law of confidence: a person has a property right in the product of his or her mind and thus has the right to keep that material confidential. Subsequently, this section considers the cases and theories that define the parameters of the British law of confidence. This section next discusses Coco v. A.N. Clark (Engineers) Ltd. and its three-pronged test of confidentiality. Finally, this section addresses the British re-


218. 783 F.2d 285 (2d Cir. 1986).

219. Id. at 300.


221. See, e.g., Fraser, [1983] 2 All E.R. at 101.

222. 41 Eng. Rep. 1171 (Ch. 1849).

quirement of novelty as set forth in *Coco* and further defined in *Fraser v. Thames Television Ltd.*\(^{224}\)

1. The Development of British Law

   a. Prince Albert v. Strange

   Idea protection in Great Britain traces its roots to a mid-nineteenth century decision, *Prince Albert v. Strange.*\(^{225}\) In *Strange*, the Chancellor's Court of England held that under the laws of equity, a person has a property right "in the production of his mind, and incident to that right is the right of making the same public."\(^{226}\) This language suggests that the court protects "ideas." The *Strange* court reasoned that materials given in confidence must be kept in confidence.\(^{227}\) Therefore, anyone who acquires these materials, either directly or indirectly, knowing they are acquired surreptitiously, does not have a right to make such materials public.\(^{228}\)

   The court also concluded that a breach of trust, confidence, contract, or property right entitles a claimant to an injunction.\(^{229}\) Although claimants currently utilize all of these theories, British courts affording idea disclosure protection focus primarily on whether a breach of confidence has occurred.\(^{230}\)

   b. O. Mustad & Sons v. S. Allcock & Co.

   Cases subsequent to *Strange* further defined the parameters of the law of confidence. Under British laws, a confidence cannot be breached once the idea enters the public domain. *O. Mustad & Son v.*
S. Allcock & Co.\textsuperscript{231} first set forth this theory.\textsuperscript{232} In this case, the plaintiffs claimed that the defendants breached a confidence relating to the plaintiffs' process of manufacturing fish hooks.\textsuperscript{233} Although a confidential relationship existed between the plaintiffs and the defendants, the House of Lords found for the defendants.\textsuperscript{234} The court reasoned that the information was no longer confidential because the plaintiffs had made it available to the public when they patented the manufacturing process.\textsuperscript{235} If ancillary secrets—secrets other than those included in the patent—are involved, the plaintiffs have the burden to prove them.\textsuperscript{236} Since the plaintiffs provided no such no proof, the suit failed.\textsuperscript{237}

2. Current British Law


In Saltman Engineering Co. v. Campbell Engineering Co.,\textsuperscript{238} the English Court of Appeal expanded the law of confidentiality.\textsuperscript{239} The court held that any work that is the product of someone's mind, even if it is based on public knowledge, is subject to protection under the confidentiality doctrine.\textsuperscript{240} In addition, if parties exchange confidential information according to the terms of a contract, even if the contract is silent on the issue of confidentiality, the court will infer the obligation.\textsuperscript{241} Any use thereafter by the recipient of such information gives rise to a breach of this obligation.\textsuperscript{242}

This understanding of protected material can be analogized to the earlier New York cases that did not require novelty, but instead extended protection to ideas taken from the public domain, as long as the offeror expended some effort in developing the idea.\textsuperscript{243}

\textsuperscript{232} Id. at 111.
\textsuperscript{233} Id. at 109.
\textsuperscript{234} Id. at 112.
\textsuperscript{235} Id. at 111.
\textsuperscript{236} O. Mustad \& Son, [1964] 1 W.L.R. at 111.
\textsuperscript{237} Id. at 112. This decision was expanded in Franchi v. Franchi, 1967 R.P.D. \& T.M. 149 (Eng. Ch.), where the English Chancery Division held that once an offeror starts the process leading to the publication of a secret, he or she cannot claim a breach of confidence after the date of publication. This is true even if the disclosure occurs prior to publication. Id.
\textsuperscript{238} 65 R.P.D. \& T.M. 203 (Eng. C.A. 1948).
\textsuperscript{239} See id. at 215.
\textsuperscript{240} Id.
\textsuperscript{241} Id. at 211.
\textsuperscript{242} Id.
\textsuperscript{243} See, e.g., Gellert v. Dick, 13 N.E.2d 603 (N.Y. 1938); Keller v. American Chair Co.,
Saltman Engineering Co. suggests that British courts protect idea disclosures provided that some creative effort is expended in developing the ideas. This interpretation is entirely consistent with Strange's language that one has a property right in the "products of the mind," and that the right to make an idea public is incident to that right.

b. Terrapin Ltd. v. Builders' Supply Co.

In Terrapin Ltd. v. Builders' Supply Co., the English Court of Appeal adopted a trial court's expansive interpretation of the Saltman Engineering Co. decision as the law of England. The trial court had stated:

[T]he essence of this branch of law, whatever the origin of it may be, is that a person who has obtained information in confidence is not allowed to use it as a springboard for activities detrimental to the person who made the confidential communication, and springboard it remains even when all the features have been published or can be ascertained by actual inspection by any member of the public. . . . The possessor of the confidential information still has a long start over any member of the public. . . . It is . . . inherent in the principle upon which the Saltman case rests that the possessor of such information must be placed under a special disability in the field of competition to ensure that he does not get an unfair start.


244. This standard is comparable to the copyright "originality" standard, which requires only that the author expend some effort and create a new work—new in the sense that it is not a copy of a work already in existence. See 17 U.S.C. § 102(a) (1988); see also Doran v. Sunset House Distrib. Corp., 197 F. Supp. 940 (S.D. Cal. 1961), aff'd, 304 F.2d 486 (9th Cir. 1962) (disapproved on other grounds in L. Batlin & Son, Inc. v. Snyder, 536 F.2d 486 (2d Cir.), cert. denied, 429 U.S. 857 (1976)). The Doran court interpreted the originality requirement to mean that a copyrightable work must be original in that the author "created it by his own skill, labor and judgment, contributing something recognizably his own to prior treatments of the same subject." Id. at 944. These requirements are modest: "Neither great novelty nor superior artistic quality is required." Id.


247. See id. at 130.

248. Id. (emphasis added). The Court of Appeal, without stating that it was adopting the trial court's opinion, interpreted Saltman Engineering Co. to mean that one who obtains confidential information is "disentitled" to use that information in competition with the discloser of the information. Id. at 131. The trial court's opinion was also adopted by the English Queen's
Terrapin is important because the court prospectively applied a duty of confidence. One who holds confidential information cannot use that information to his or her own gain, even after the contractual relationship between the parties has concluded, and even after others have placed similar products on the market.

The holding in Terrapin directly contradicts the decision in O. Mustad & Son, decided by the House of Lords, Great Britain's highest court. In fact, Terrapin is a decision of the Supreme Court of Judicature Court of Appeal, and it conspicuously fails to discuss O. Mustad & Son. It is impossible to ascertain how much weight should be ascribed to Terrapin, as the decision does not indicate whether an appeal was subsequently denied. Thus, both Terrapin and O. Mustad & Son are presumably valid law, lurking as traps for the unwary. However, Terrapin may be little more than an aberration, since House of Lords decisions control in the English system of jurisprudence.

c. Coco v. A.N. Clark (Engineers) Ltd.

In Coco v. A.N. Clark (Engineers) Ltd., a High Court of Justice Chancery Division decision, the court reduced the theory of breach of confidentiality into a three-pronged test: (1) the information must be of a confidential nature; (2) the offeror must communicate the information under circumstances that underscore its confidential nature; and (3) the offeree must use the information in an unauthorized manner to the detriment of the offeror.
To satisfy the first prong, the information the offeror communicates must not already be in the public domain, although it may derive from material in the public domain. In addition, the information must be novel or original. This case marks the first time an English court required novelty under a breach of confidence analysis.

The second prong calls for disclosure under circumstances that suggest confidentiality. That is, the disclosure must not be "blurted out" in public or in a fashion that a reasonable person would not think gives rise to confidentiality.

Finally, under the third prong, the offeree must use the offeror's idea to the offeror's detriment. Under the law of confidence, courts understand that once an idea is made public, it loses its value. Use of reduced California's test of confidentiality to a similar three-pronged test. According to the court, a breach of confidence occurs when (1) one offers an idea, whether or not protectible, to another in confidence; (2) the offeree voluntarily receives the offer with the understanding that it must not be disclosed to others; and (3) the parties agree that the idea disclosure will not be used for purposes beyond the limits of confidence without the offeror's permission. Id. at 709. Mere submission of an idea will not make a submission "confidential." Id. at 712.

In general, courts infer confidentiality upon (1) proof of an implied-in-fact contract; (2) proof that the material was protectible, that is, novel; or (3) proof of a relationship from which the court can infer a confidential relationship, such as principal and agent or partners.

255. Id. The Coco court cited Saltman Engineering Co. in support of this conclusion. See id. at 47 (citing Saltman Eng'g Co., 65 R.P.D. & T.M. at 203). It also stated that some product of the human mind is required before the court will protect an idea disclosure. Id. It is irrelevant whether the human invention is labeled novel, original, or ingenious, since all these terms are one and the same. Id.
256. The Coco court's analysis is comparable to the originality requirement of United States copyright law. See 17 U.S.C. § 102(a). For a discussion of this requirement, see supra note 244. The court explained that novelty is something new, which comes about as a result of the skill and ingenuity of the human brain. Coco, 1969 R.P.D. & T.M. at 47. Whether something is novel, the court concluded, does not depend upon its constituent parts. In fact, the court postulated that commonplace components often lead to the most striking examples of novelty. Id. Further, to determine whether the information was confidential, the court utilized a reasonable person test. Id. at 50. The court explained the test as a query to the parties at the outset: "Do you not think that you ought to have an express understanding that everything you are discussing is confidential?" If the parties answer, "But it obviously is," then the information is confidential. Id.
257. The prior confidentiality cases merely required that the information be communicated in such a manner that the confidence would be understood between the parties. See, e.g., Terrapin Ltd., 1960 R.P.D. & T.M. at 128. The Coco court, with its novelty requirement, dismissed these earlier cases, concluding that "equity ought not to be invoked merely to protect trivial tittle-tattle, however confidential." Coco, 1969 R.P.D. & T.M. at 48.
259. Id. at 48.
the offeror's idea to his or her detriment, therefore, establishes damages.

d. Fraser v. Thames Television Ltd.

The High Court of Justice Queen's Bench Division expanded the Coco decision in Fraser v. Thames Television Ltd. In Fraser, the court explicitly held that protection follows from a confidential disclosure, whether it is in oral or written form. In addition, according to the court, one who receives confidential information is prevented from disclosing it until the information becomes public knowledge. Thus, Fraser narrows Terrapin’s prospective unlimited bar on disclosure. Unlike the Terrapin holding, which prospectively bars use of confidential material even after the material is made public, the Fraser holding grants unlimited protection only until such time as the offeror chooses to make the confidential material public knowledge.

The Fraser court also ruled that for an idea to be protectible, it must contain some element of novelty beyond the realm of public knowledge, such as a new slant or twist to a concept in the public domain. In addition, the idea must be identifiable and attractive, and its implementation must be practicable.

Based on the cases discussed above, it is clear that British courts protect idea disclosures under the law of confidence, subject to three requirements: (1) the idea must contain the element of novelty; that is, at a minimum it must contain a new slant on material in the public domain; (2) the idea must be disclosed under circumstances reasonably manifesting the offeror's intent to maintain the confidence; and (3) the idea must be commercially attractive and capable of realiza-

261. Id. at 121. The court stated that there is no reason to deny protection to an orally disclosed idea under the law of confidentiality, because the form in which an idea is expressed does not affect its quality or originality. Id. Further, while recognizing that the communication and content of an oral disclosure are more difficult to prove, the court concluded that such difficulties do not affect the soundness of the principle at hand any more than they affect other areas of law. Id.
262. Id. at 116.
264. Fraser, [1983] 2 All E.R. at 121.
265. Id.
266. Id. at 119.
tion. Subject to these limitations, idea disclosures in Great Britain are protectible regardless of whether they are made in oral or written form. Further, since British courts primarily rely on a breach of confidentiality theory to protect idea disclosures, the distinction between implied and express contracts is a non-issue.

D. Summary: Must an Idea Disclosure Be Novel Before Courts Will Protect It?

California courts do not require novelty before protecting an idea disclosure. Rather, an idea disclosure is protectible under an implied-in-fact contract theory if it satisfies the four-pronged test laid out by the California Supreme Court in Desny v. Wilder: (1) one must submit a valuable idea to an offeree; (2) the offeree must either have solicited or voluntarily accept the idea disclosure; (3) the offeree must know that the idea disclosure was made with the expectation of remuneration upon use; and (4) the offeree must actually use the idea. The act of disclosure supplies consideration for the contract. Further, subsequent decisions by the California Court of Appeal demonstrate that courts will infer a promise to pay for a non-

266. For example, in Fraser v. Edwards, 1905-10 MacG. Cop. Cas. 10 (1905), cited in Fraser, [1983] 2 All E.R. at 118, the court protected a written disclosure, holding the defendant liable under breach of confidence for appropriating a plot, characters, and ideas from the plaintiff's written scenario. See also Talbot v. General Television Corp., 1980 V.R. 224 (Austl. Sup. Ct.) (finding breach of confidence based on written disclosure).

Oral disclosures were first protected in Seager v. Copydex, Ltd., [1967] 2 All E.R. 415 (Eng. C.A.). The Seager court protected an oral disclosure of a novel invention under the laws of confidentiality. Id. In Fraser, the court held that a confidential disclosure, whether in oral or written form, is protectible. Fraser, [1983] 2 All E.R. at 121. This holding, however, is subject to two caveats. First, the idea must contain some element of originality. Id. at 118-21. This can be as little as a new slant or twist to a concept already in the public domain. Id. at 121. In fact, the degree of originality need not be great. Id. at 120 (citing Seager v. Copydex, Ltd., [1969] 2 All E.R. 718 (Eng. C.A.)). Second, the idea must be sufficiently developed so as to be "capable of being realised as an actuality." Id. at 119.

269. For a complete discussion of the California courts' approach to the novelty issue, see supra text accompanying notes 22-138.

270. 299 P.2d 257 (Cal. 1956).


272. Desny, 299 P.2d at 257. For a discussion of Desny's four-pronged test, its application, and subsequent decisions interpreting the novelty issue, see supra text accompanying notes 50-138.

273. Desny, 299 P.2d at 266.
novel idea from the conduct of the parties, without anything more.  

New York courts, conversely, protect an idea disclosure under an implied-in-fact contract theory only if the disclosure contains the element of novelty. They will not protect a gratuitous idea disclosure or non-novel idea disclosure that is not the subject of an express contract. However, New York courts will protect a non-novel idea that is disclosed subject to the terms of an express contract.

Finally, British courts will protect an idea disclosure under a breach of confidence theory if (1) the idea is novel or original; (2) the idea is disclosed under circumstances that reasonably manifest the offeror's intention of maintaining the confidence; and (3) the idea is commercially attractive and capable of realization.

III. THE SIMILARITY REQUIREMENT

California, New York, and British courts all require similarity between two works before they will impose liability for misappropriation, but the required quantum of similarity varies from court to court. This presents a problem, because whether a plaintiff or de-


fendant wins often depends on how a court defines similarity. If the court uses a general, non-specific standard of similarity, the plaintiff likely will prevail.\textsuperscript{280} Conversely, if the court resorts to a more specific analysis of the protectible elements—that is, the original and novel elements—of the plaintiff’s idea, the defendant likely will prevail.\textsuperscript{281}

\textbf{A. California Tests of Similarity}

California courts do not have a clear test of similarity. In fact, California courts completely disagree on the test of similarity.\textsuperscript{282} Whereas some courts utilize specific, fact-intensive inquiries,\textsuperscript{283} others employ general comparisons between two works to find similarity.\textsuperscript{284} This section begins with an analysis of the specific, fact-intensive tests of similarity, which are all versions of the “substantial similarity” test. It subsequently discusses general tests of similarity. Finally, this section recommends that California courts adopt either the “dramatic core” or the “based upon” test of similarity, as both tests provide the idea person with the greatest protection.

1. Specific, Fact-Intensive Inquiries: The “Substantial Similarity” Tests

In \textit{Weitzenkorn v. Lesser},\textsuperscript{285} the California Supreme Court stated that the “substantial similarity” test, a rigorous objective test, asks whether a reasonable person would find the protectible portions of two works similar.\textsuperscript{286} A court makes this determination by specifically analyzing the two pieces.\textsuperscript{287} This test is similar to a copyright analysis under which protectible material consists of material that is

\begin{itemize}
\item \textsuperscript{280} See, \textit{e.g.}, Seager v. Copydex, Ltd., [1967] 2 All E.R. 415, 418 (Eng. C.A.) (holding that infringement occurs if a defendant uses the germ of a plaintiff’s idea as the springboard for the defendant’s product).
\item \textsuperscript{281} See, \textit{e.g.}, Smith v. Weinstein, 578 F. Supp. 1297, 1302 (S.D.N.Y. 1984) (quoting Reyher v. Children’s Television Workshop, 533 F.2d 87, 90 (2d Cir.), \textit{cert. denied}, 429 U.S. 980 (1976), which stated, “Because of the inherent difficulty in obtaining direct evidence of copying, it is usually proved by circumstantial evidence of access to the copyrighted work and substantial similarities as to protectible materials.”).
\item \textsuperscript{282} Compare \textit{Weitzenkorn}, 256 P.2d at 947 \textit{with Fink}, 88 Cal. Rptr. at 679 and \textit{Teich}, 339 P.2d at 627 (each court utilizing a different test of similarity).
\item \textsuperscript{283} See, \textit{e.g.}, Heinreid v. Four Star Television, 72 Cal. Rptr. 223 (Ct. App. 1968).
\item \textsuperscript{284} See, \textit{e.g.}, \textit{Fink}, 88 Cal. Rptr. at 679.
\item \textsuperscript{285} 256 P.2d 947 (Cal. 1953).
\item \textsuperscript{286} \textit{Id.} at 956.
\item \textsuperscript{287} \textit{Id.} at 956-58.
\end{itemize}
both novel and concrete.\(^{288}\)

In *Heinreid v. Four Star Television*,\(^{289}\) the California Court of Appeal redefined substantial similarity to mean substantial or material similarity as to "plot, motivation, subject matter, milieu, and characterization."\(^{290}\) This standard varies somewhat from the standard laid out in *Weitzenkorn*, and does not require that the material be "protectible."\(^{291}\)

In *Minniear v. Tors*,\(^{292}\) the California Court of Appeal employed an "inspiration" test of similarity.\(^{293}\) This test is virtually identical to *Heinreid's* "substantial similarity" test. It compares the basic plot ideas, scenes, sequences, and dramatic gimmicks of the plaintiff's and the defendant's works.\(^{294}\)

The current California test of substantial similarity essentially reduces to a comparison of two ideas, regardless of novelty, as to the following elements: (1) plot; (2) motivation; (3) subject matter, sequences, and milieu; (4) characterizations; and (5) dramatic gimmicks. This fact-intensive comparison is a difficult standard to satisfy.

### 2. General Tests of Similarity

In *Stanley v. Columbia Broadcasting System, Inc.*,\(^{295}\) the California Supreme Court ruled that similarity between two works is determined by objectively comparing the compositions as a whole, without unnecessarily dissecting sentences and incidents.\(^{296}\) This objective standard is based on the understanding of an average reasonable person.\(^{297}\)

#### a. The "Dramatic Core" and "Sufficient Similarity" Tests

The *Weitzenkorn* court introduced two additional general tests of

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288. Under United States copyright law, protection attaches to a work that is original and concrete. See 17 U.S.C. § 102(a); see also supra note 12. Courts such as the New York Court of Appeals, which do not find consideration for a contract in the act of disclosure, however, hold idea disclosures to a higher standard, requiring novelty before protecting the disclosure. See, e.g., Downey v. General Foods Corp., 286 N.E.2d 257 (N.Y. 1972).
289. 72 Cal. Rptr. 223 (Ct. App. 1968).
290. Id. at 223-24.
291. Id.
292. 72 Cal. Rptr. 287 (Ct. App. 1968).
293. Id. at 294.
295. 221 P.2d 73 (Cal. 1950).
296. Id.
297. Id. at 78.
similarity: the "dramatic core" and the "sufficient similarity" tests.\textsuperscript{298} The dramatic core test of similarity asks whether similarity exists between the basic plots and morals of two stories.\textsuperscript{299} The sufficient similarity test merely asks whether an average reasonable person would find similarity between them.\textsuperscript{300} Neither test permits unnecessary dissection of the works.

Although the \textit{Weitzenkorn} language suggests that these are two different tests,\textsuperscript{301} they are both, in reality, simply restatements of \textit{Stanley}'s objective test of similarity. Thus, courts utilizing these tests ask but a single question: whether a reasonable person would find two works similar when comparing basic plots and morals. This test is objective and fair. An attorney representing either side in an idea disclosure dispute can point out any number of similarities and differences through a detailed analysis of the two works. Whether an idea has been misappropriated should not turn on something so easily manipulated as the quantum of similarities and differences. Rather, courts should find similarity by utilizing the objective reasonable person standard of \textit{Weitzenkorn}'s dramatic core analysis.

\textit{b. The "Based Upon" and "Spine" Tests of Similarity}

In \textit{Fink v. Goodson-Todman Enterprises},\textsuperscript{302} the California Court of Appeal announced two additional tests of similarity: the "based upon" and "spine" tests.\textsuperscript{303} Under the based upon test of similarity, if an average reasonable person would find that the defendant's work is based upon the plaintiff's in any way, the court will find similarity and use by the defendant.\textsuperscript{304} Any work that can trace its genesis to the plaintiff's is considered "based upon."\textsuperscript{305}

\textit{Fink}'s spine test of similarity requires the partial development of a fully worked out sub-theme, calculated to give a clear picture of the

\begin{itemize}
  \item \textsuperscript{298} \textit{Weitzenkorn}, 256 P.2d at 955-57.
  \item \textsuperscript{299} \textit{Id}.
  \item \textsuperscript{300} \textit{Id}.
  \item \textsuperscript{301} \textit{See id}.
  \item \textsuperscript{302} 88 Cal. Rptr. 679 (Ct. App. 1970).
  \item \textsuperscript{303} \textit{Id} at 689, 691. It appears, however, that the \textit{Fink} court actually relied on the \textit{Heinreid} version of substantial similarity to reach its decision. \textit{See id} at 689-91. For a discussion of \textit{Heinreid}'s version of similarity, see \textit{supra text accompanying notes 289-91}.
  \item \textsuperscript{304} \textit{See Fink}, 88 Cal. Rptr. at 688-91.
  \item \textsuperscript{305} Although the \textit{Fink} court relied on a more rigorous standard in finding for the plaintiff, given the similarity of plot and motivation in the two works, the \textit{Fink} court had no trouble finding the defendant's story based upon the plaintiff's. \textit{Id}.
\end{itemize}
finished story, and compares this work to the defendant's. By requiring partial development of a fully worked out sub-theme, the spine test offers an idea person less protection than the based upon test offers, since an idea person's disclosure may give an offeree an indication of the finished work, even if the sub-theme is not fully developed. As many idea persons do not develop ideas until they are purchased, the spine test places idea persons in a precarious position since stories not sufficiently developed may be pilfered with impunity.

3. Recommendations

The substantial similarity test, a difficult test to satisfy, is not the standard courts should adopt in idea disclosure cases. The policies underlying decisions to protect idea disclosures suggest that courts should adopt either the "dramatic core" or the "based upon" standard of similarity. Either will further court policies of adequately protecting purveyors of idea disclosures, while simultaneously protecting offerees—the former by requiring that similarity exist between the basic plots and morals of the two stories without unnecessarily dissecting them, and the latter by requiring that the offeree's work actually be based upon the offeror's before finding similarity.

B. New York: The Substantial Similarity Test

New York courts that have addressed idea disclosure protection have not stated a standard for determining misappropriation. Consequently, this section begins by discussing the New York copyright "substantial similarity" test, which is probably the test the courts apply. It next addresses the standard used by courts to prove that copying has occurred. Finally, this section rejects the New York substantial similarity test as too severe.

306. Id. at 687 (citing Libott, supra note 5, at 735, 743, 769).

307. For example, an idea may consist of little more than the development of the two central characters. Other than a rudimentary storyline, the details of the work may be completely undeveloped. Since the work is virtually unwritten, under the spine test the lack of a fully worked out sub-theme leaves the characters and rudimentary story completely unprotected.

308. An idea person will be more willing to disclose an idea if he or she knows that courts will protect it. Conversely, if he or she knows that courts will not provide expansive protection to idea disclosures, the idea person will be forced to reduce the idea into a protectible form. This is time consuming. Thus, valuable time that could be devoted to developing new ideas will be wasted. Moreover, the idea person will only reluctantly divulge unprotected ideas since proof of misappropriation is so difficult to establish.
1. Substantial Similarity: A Balancing Test

In 1930, the New York Court of Appeals decided *Fendler v. Morosco*. In that case, the court stated that similarity is determined by balancing the similarities and differences between two works. Later that same year, Judge Learned Hand announced his "abstractions" test of similarity in *Nichols v. Universal Pictures Corp.* This test recognizes that as more details of works are left out, a comparison between any two necessarily shows greater similarity. Under Judge Hands' formulation, there is a point of abstraction beyond which a work may not be protected, because the ideas within it would no longer be available to the public. Both the *Fendler* and *Nichols* tests reduce to a balancing test, focusing on similarities and differences between the characters and sequences occurring in two works. In *Casino Productions, Inc. v. Vitaphone Corp.*, a New York Supreme Court modified *Fendler*'s balancing test. The *Casino* court ruled that misappropriation occurs only when an offeree lifts substantial portions of a protected work.

Modern New York courts have never explicitly stated the misappropriation standard for idea disclosure cases. Since New York courts essentially protect idea disclosures under a copyright-property theory, it is likely that the misappropriation of an idea disclosure is found by applying the three-pronged copyright test of substantial similarity. Accordingly, misappropriation occurs when (1) the offeror's work is novel and therefore protectible; (2) the offeree had access to

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309. 171 N.E. 56 (N.Y. 1930).
310.  *See id.* at 60.
312.  *Nichols*, 45 F.2d at 121.
313.  *Id.*
315.  *Id.* at 504.
316.  *See id.* In Columbia Pictures Corp. v. Krasna, 65 N.Y.S.2d 67 (Sup. Ct. 1946), *aff'd*, 69 N.Y.S.2d 796 (App. Div. 1947), *motion for leave to appeal denied*, 71 N.Y.S.2d 705 (1948), a New York Supreme Court ruled that "plagiarism" is the unauthorized copying of the whole work or of substantial parts. *Id.* at 68. This understanding is implicit in *Casino*'s holding.
317.  *See generally supra* cases discussed in text accompanying notes 139-219.
319.  For a detailed discussion of New York's novelty requirement, see *supra* notes 139-219 and accompanying text.
the work; and (3) the offeror can prove copying. This three-pronged test is universally applied whenever one party claims that his or her work has been misappropriated by another.\textsuperscript{320} Some New York courts also require that the copying occur with \textit{animus furandi}—a felonious intent to steal from another.\textsuperscript{321}

2. Proof of Misappropriation

An idea person in New York proves misappropriation by showing that the offeree had access to the idea person’s protectible work and then copied it. Copying can be proved either directly or indirectly. The idea person can prove it directly by showing plagiarism,\textsuperscript{322} or can prove it indirectly by showing a substantial similarity between two works.\textsuperscript{323} To substantiate a claim of misappropriation, the offeror must offer direct evidence of copying.\textsuperscript{324} This includes evidence of access or similarity strong enough to compel an inference of plagiarism.\textsuperscript{325} Proving access is generally not a problem in an idea disclosure lawsuit, however, since the disclosure is usually made directly to the offeree or to someone in the offeree’s employ.

The difficult problem confronting an idea person is proving use. This is accomplished by showing substantial similarity between the two works.\textsuperscript{326} Trivial similarities have no legal significance, since misappropriation occurs only when an offeree copies substantial and material parts of a work.\textsuperscript{327} Furthermore, an offeree may not point to differences in the works to hide substantial copying.\textsuperscript{328} However, an offeree has not misappropriated an idea if the differences are “not only material and significant but actually constitute a different work.”\textsuperscript{329}

\begin{footnotes}
\textsuperscript{320} See, e.g., Durham Indus., Inc. v. Tomy Corp., 630 F.2d 905 (2d Cir. 1980); Ideal Toy Corp. v. Fab-Lu Ltd., 360 F.2d 1021 (2d Cir. 1966) (dolls); \textit{Arnsstein}, 154 F.2d at 464 (music); \textit{Smith}, 578 F. Supp. at 1297 (movies); Heywood v. Jericho Co., 85 N.Y.S.2d 464 (Sup. Ct. 1948) (plays).


\textsuperscript{322} “Plagiarism” is the direct copying of a written work. See Casino Prod., Inc. v. Vitaphone Corp., 295 N.Y.S. 501, 504 (Sup. Ct. 1937).

\textsuperscript{323} Id.

\textsuperscript{324} Id.

\textsuperscript{325} Id.

\textsuperscript{326} Id.


\textsuperscript{328} \textit{Malkin}, 203 N.Y.S.2d at 507; see also Cantor v. Mankiewicz, 203 N.Y.S.2d 626, 628 (Sup. Ct. 1960).

\textsuperscript{329} \textit{Malkin}, 203 N.Y.S.2d at 507.
\end{footnotes}
Finally, New York courts do not determine substantial copying by a fine analysis or dissection of two works, but by ordinary observations. In *Ideal Toy Corp. v. Fab-Lu Ltd.*, the Second Circuit Court of Appeals held that the New York test of substantial similarity is whether the average lay observer would recognize the alleged copy as having been appropriated from the offeror's work. This is an objective standard.

As stated, the New York test of substantial similarity is a general analysis. Courts ask whether a lay observer would consider the totality of two works similar with regard to their key elements. "The similarity must be . . . apparent upon ordinary observation. It is the impression that the ordinary viewer receives by which . . . similarity must be judged." This analysis requires an "understanding" that the lay observer brings to the courtroom. In practice, though, courts often resort to specific analyses. They generally compare two works as to "plot, form and presentation, combination of ideas, motivation, sequence of action, [and] background and setting." However, "similarities in fundamental plot, as reflected by incidents which normally result from a basic situation, do not give rise to a cause of action." Thus, no cause of action exists if an offeror's idea

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331. 360 F.2d 1021 (2d Cir. 1966).
332. *Id.* at 1022; *see also* *Smith v. Weinstein*, 578 F. Supp. 1297, 1302 (S.D.N.Y.), aff'd, 738 F.2d 419 (2d Cir. 1984); *Werlin v. Reader's Digest Ass'n*, 528 F. Supp. 451, 461 (S.D.N.Y. 1981).
334. *Id.* (citing *Dymow v. Bolton*, 11 F.2d 690 (2d Cir. 1926)).
335. *Warner Bros. v. American Broadcasting Co.*, 530 F. Supp. 1187 (S.D.N.Y. 1982), provides a useful illustration of this analysis. After the American Broadcasting Company ("ABC") began producing the hit television series *The Greatest American Hero*, the owners of the motion pictures, television shows, and comic books featuring "Superman" brought suit for copyright infringement. The court began by ruling that a copyright extends only to the expression of an idea, not to the idea itself. *Id.* at 1190. Thus, the concept of a man with super powers is not protectible, but an actual expression of that concept is. As to similarities between the works, the court concluded a somewhat comprehensive comparison of basic themes, characters, situations, powers, and feelings of the works. *Id.* at 1193-95. This is a general comparison, not a specific, line-by-line analysis that might be used to establish evidence of access. Because the action was a summary judgment proceeding, the court assumed that ABC had access to Superman works and actually copied from them. *Id.* at 1190. The dispositive question, therefore, was whether ABC copied any protectible material. *Id.* at 1190, 1192.
336. *See, e.g., id.* at 1192; *Smith*, 578 F. Supp. at 1297.
338. *Id.* at 500 (citing *Holmes v. Hurst*, 174 U.S. 82 (1899)). Although *Hewitt* involved a copyright analysis, idea protection in New York courts only extends to novel works; hence, courts use this analysis for both copyright and idea disclosure cases. See supra notes 139-219 and accompanying text.
disclosure and an offeree's work are similar only as to fundamental plots.\textsuperscript{339}

Absent evidence of access, the Second Circuit Court of Appeals, in \textit{Arnstein v. Porter},\textsuperscript{340} held that to prove misappropriation in New York state, a plaintiff must offer evidence of similarity so overwhelming so as to preclude any possibility of independent creation.\textsuperscript{341} Later in the same opinion, however, the \textit{Arnstein} court concluded that the issue of unlawful misappropriation is \textit{not} resolved by employing an analytical comparison of two works to ascertain similarity.\textsuperscript{342} Instead, the similarity issue is resolved by using the general, objective "lay observer" standard.\textsuperscript{343} Although these two statements appear irreconcilable, they are not. Access is not always susceptible to proof. Consequently, New York courts provide alternate methods of proving access.\textsuperscript{344} If a plaintiff proves he or she created the work prior to the defendant,\textsuperscript{345} the court will infer defendant access and copying through evidence of "[r]esemblances so frequent and so striking that they could not have occurred by mere coincidence."\textsuperscript{346} To find frequent striking resemblances, the court obviously must conduct an exhaustive comparison of both works.\textsuperscript{347}

\textsuperscript{339} See \textit{Reyher v. Children's Television Workshop}, 533 F.2d 87, 91 (2d Cir. 1976) (holding that the essence of infringement lies not in duplicating a general theme, but in the similarity between particular details, scenes, events, and characterizations); \textit{Bevan v. Columbia Broadcasting Sys., Inc.}, 329 F. Supp. 601, 604-07 (S.D.N.Y. 1971) (holding that a likeness due to the similar nature of the subject matters does not constitute a substantial similarity).

Courts refer to characters or settings that are indispensable or standard in the treatment of a given topic as "scenes a faire." See, e.g., \textit{Hoehling v. Universal City Studios, Inc.}, 618 F.2d 972 (2d Cir.), \textit{cert. denied}, 449 U.S. 841 (1980).

\textsuperscript{340} 154 F.2d 464 (2d Cir. 1946).

\textsuperscript{341} Id. at 468. In contrast, proof of access is a relatively easy hurdle to pass, since a plaintiff need only show that the defendant had a reasonable opportunity to read or view the plaintiff's work. \textit{Bevan}, 329 F. Supp. at 604.

\textsuperscript{342} \textit{Arnstein}, 154 F.2d at 473.

\textsuperscript{343} Id.

\textsuperscript{344} See, e.g., \textit{id. at 468}.

\textsuperscript{345} The plaintiff must prove priority over the materials claimed, as well as defendant access to those materials. \textit{Malkin v. Dubinsky}, 203 N.Y.S.2d 501, 506 (Sup. Ct. 1960).

\textsuperscript{346} \textit{Fendler v. Morosco}, 171 N.E. 56, 57 (N.Y. 1930). In \textit{Arc Music Corp. v. Lee}, 296 F.2d 186 (2d Cir. 1961), the plaintiff argued that an inverse relationship exists between evidence of access and of similarity—that is, where a plaintiff offers evidence of access, the court requires less evidence of similarity. \textit{Id.} at 187. The court soundly rejected this argument, stating that the inference of copying arises only when a plaintiff offers proof of access in conjunction with proof of similarity. \textit{Id.}

\textsuperscript{347} \textit{Malkin}, 203 N.Y.S.2d at 508; see, e.g., \textit{Cantor}, 203 N.Y.S.2d at 628-30. The \textit{Cantor} court held that a plaintiff proves access by showing striking and frequent resemblances between two works as to compel an inference of access. \textit{Id.} at 628. Such resemblances must be "apparent upon ordinary observation, and not merely a resemblance which could be detected
3. Recommendation: Reject New York's Substantial Similarity Test

In the realm of idea disclosures, New York's substantial similarity test is too severe. It denies idea persons protection for anything less than protectible, or novel, material. Novelty is simply too stringent a requirement in the world of idea disclosures. In practice, New York courts offer idea persons little more protection than that provided by federal copyright law. This approach completely ignores the practices of late-twentieth century industry, particularly the practices of the entertainment industry. Courts must recognize that decisions that rely on a copyright analysis actually inhibit the promulgation and sharing of ideas. Consequently, New York's substantial similarity test, which is essentially a copyright test, should be rejected.

C. Great Britain: Similarity Test

British cases discussing breach of confidence primarily consider whether a confidence arose and pay little attention to the quantum of similarity necessary to find use. Although British courts consistently apply the "springboard" test of use in breach of confidence cases, they conspicuously fail to mention the factors supporting their conclusions. Thus, British practitioners are left without weapons with which to battle idea disclosure cases. To fill this void, this section discusses the British similarity standard in the breach of confidence realm, as well as the British copyright substantial similarity standard. Although the substantial similarity standard defines use in the copyright domain, a practitioner can argue use of an idea disclosure by an expert by virtue of his peculiar knowledge." Id. This is a somewhat difficult standard to administer. Analysis must show striking and frequent resemblances, necessarily calling for an exhaustive analysis, yet it is limited to resemblances apparent upon ordinary observation. This is somewhat contradictory, as the ordinary person does not normally conduct such a thorough analysis of two works.

In Heim v. Universal Pictures Co., 154 F.2d 480 (2d Cir. 1946), the Second Circuit provided an exception to the "frequent resemblances" rule. It stated that a court may infer copying from a showing that two pieces contain the same single, brief idiosyncratic phrase. Id. at 488.


349. See, e.g., Fraser v. Thames Television Ltd., [1983] 2 All E.R. 101 (Eng. Q.B.), where the court discussed the springboard theory of use, but failed to discuss how use is found.
analogy. Perhaps by using one of these standards a practitioner will be able to demonstrate that an idea person’s disclosure served as a springboard for a defendant’s work.

1. Similarity in the Breach of Confidence Realm: The Springboard Theory of Use

In the seminal case of *Terrapin Ltd. v. Builders’ Supply Co.*, the English Court of Appeal ruled that one who obtains information in confidence may not use that information as a “springboard” for activities detrimental to the person who disclosed it. The springboard standard is a broad test that protects an offeror from any subsequent detrimental use by an offeree. The offeror, however, must prove that he or she disclosed the information in confidence before a court will find that the offeree misappropriated it. This is demonstrated by showing both that the information was of a confidential nature—that is, novel—and that it was disclosed under circumstances underscoring the confidential nature of the information.

In *Saltman Engineering Co. v. Campbell Engineering Co.*, the English Court of Appeal further defined “use.” That court ruled that one is guilty of infringement if he or she uses confidential information that was obtained directly or indirectly from the plaintiff without the plaintiff’s express or implied consent. In *Seager v. Copydex, Ltd.*, the Queen’s Bench Division again delineated the parameters of use, concluding that conscious plagiarism, animus furandi, is not a prerequisite to finding a breach of confidence. Rather, breach of confidence occurs if the plaintiff’s idea served as a springboard for the defendant’s work. As to the quantum of similarity necessary to find use, the Seager court concluded that infringement occurs as long as the “germ” of the plaintiff’s idea served as a springboard for the defendant’s product. This is now the law in Great Britain.

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351. Id. at 130. For further discussion of Terrapin, see supra text accompanying notes 246-50.
356. Id. at 213.
358. Id. at 418.
359. Id.
Thus, an idea person's disclosure receives adequate protection by British courts under a breach of confidence theory for two reasons. First, although British courts require novelty before protecting an idea disclosure, their standard for novelty is easily satisfied. According to British courts, novelty is something that is the product of skill or ingenuity, even if it is constructed of materials in the public domain. Second, if the "germ" of an idea person's disclosure serves as a springboard from which a defendant's product derived, British courts will find misappropriation.

2. Copyright Infringement: The Substantial Similarity Standard

Although British courts use the springboard theory to find breaches of confidence, they conspicuously fail to discuss what elements they compare to find use. Consequently, this section discusses the British copyright test of similarity to fill this void.

In Francis Day & Hunter, Ltd. v. Bron, the English Court of Appeal reduced the modern test of copyright infringement to a two-pronged test. According to the court, to constitute infringement, "there must be both sufficient objective similarity between the two works and some causal connexion [sic] between the work infringed and the infringer's work, viz., it must be proper to infer derivation of the latter from the former."

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360. This relatively easy standard became somewhat obscured in Coco v. A.N. Clark (Eng'rs) Ltd., 1969 R.P.D. & T.M. at 41. Although the court purportedly adopted the springboard test of use, it stated that proving "a number of similarities... is not enough; what the plaintiff must show is how many of the similarities are the result of confidential information supplied by the plaintiff." Id. at 44. Thus, rather than compare two works to see if the "germ" of the plaintiff's idea served as a springboard for the defendant's work, the court conducted a more specific comparison of similarities and differences. Id.

Later, in Fraser v. Thames Television Ltd., [1983] 2 All E.R. 101 (Eng. Q.B.), the Queen's Bench Division followed Seager, and concluded that misappropriation occurs if the germ of the plaintiff's idea disclosure served as a springboard for the defendant's work. Id. at 120. To prove use, the plaintiff need only show that the defendant misappropriated the germ of the plaintiff's idea. Id. This suggests that the Coco court may have mistakenly imported elements of the copyright similarity test into its breach of confidence analysis. See Coco, 1969 R.P.D. & T.M. at 44.

364. Id. Further, the court held that the plaintiff's attorney correctly summarized the test of copyright infringement as follows:

(i) [I]n order to constitute reproduction [copying]... there must be (a) a sufficient degree of objective similarity between the two works; and (b) some causal connexion between the plaintiff's and the defendant's work. (ii) [I]t is quite irrelevant to inquire whether the defendant was or was not consciously aware of such causal connexion.
Similarity is an objective standard that asks whether two works are substantially the same.\textsuperscript{365} It is a fact-intensive comparison of two works.\textsuperscript{366} For example, the \textit{Francis Day & Hunter} court compared two works as to structure, theme, use of commonplace elements, harmonic structures, time signature, and rhythms.\textsuperscript{367} It also included a note-by-note and bar-by-bar comparison.\textsuperscript{368}

The second prong of the copyright infringement test is causation. This prong asks whether the defendant's work derived from the plaintiff's, and whether it is, in fact, similar to the plaintiff's.\textsuperscript{369} Similarity is proven by showing that the defendant had access to the plaintiff's materials and then actually copied them. Showing direct access is unnecessary.\textsuperscript{370} However, if the plaintiff cannot establish a causal connection, the court will find that no infringement occurred, even if the two works are identical.\textsuperscript{371}

Like New York, protection in Great Britain only attaches to the protectible elements of a plaintiff's work.\textsuperscript{372} Thus, in \textit{Warwick Film Productions v. Eisinger},\textsuperscript{373} a Chancery Division court concluded that the defendant did not infringe the plaintiff's copyright, since the defendant used only non-original elements of the plaintiff's work.\textsuperscript{374} Furthermore, some early British courts required \textit{animus furandi} before finding misappropriation.\textsuperscript{375} Modern courts, however, will find

\begin{itemize}
\item \textit{Id.} at 22.
\item \textit{Id.} at 20.
\item \textit{Id.} at 16.
\item \textit{Id.} at 18-26.
\item \textit{Id.} at 24, 27.
\item \textit{Id.} at 27.
\item \textit{Id.} at 28.
\item \textit{Id.} at 384. In this case, the plaintiff's work was a compendium. Since compendiums require a tremendous investment of time and labor, such works are afforded copyrights. \textit{Id.} Such a copyright, however, only extends to the work as a whole since that is what is novel and protectible. \textit{Id.} The components of the work, however, lack novelty and are therefore unprotected. \textit{Id.}
\item \textit{Id.} at 294. In \textit{Jarrold}, the court concluded that illegiti-
misappropriation for subconscious copying. 376 This more expansive protection may be the result of the advent of mass media during the latter half of the twentieth century. 377

D. Summary: Similarity

California courts currently use at least five different tests of similarity. 378 The “substantial similarity” test is an objective standard that essentially compares two programs as to plot, motivation, subject matter, sequences and milieu, characterizations, and dramatic gimmicks. 379 The “dramatic core” and “sufficient similarity” tests ask whether similarity exists between the basic plots and morals of two works, without unnecessarily dissecting them. 380 Under the “based upon” test of similarity, any work that can trace its inception to the plaintiff is protected. 381 Finally, under the “spine” test of similarity, courts protect only partially developed works capable of giving the

mate use only occurs when a defendant with animus furandi appropriates passages from a plaintiff's work to save himself labor. Id. at 1298.

376. See, e.g., Francis Day & Hunter, Ltd., [1963] 2 All E.R. at 21. The Francis Day & Hunter court stated that a plaintiff can prove subconscious copying by showing both similarity between the works and the fact that the defendant was familiar with the plaintiff's work. Id.

377. In the mid-nineteenth century, literary and musical works did not enjoy their current widespread distribution, since methods of travel and communication were not as developed as they are now. Thus, literary and musical works tended to receive exposure in relatively limited areas.

Popular literary and musical works now receive greater exposure through the media, and it is not uncommon for someone to be familiar with a work without ever having actually read or listened to it. For example, after reading a film review, one knows virtually the entire story without having seen or heard any part of the work. Moreover, literary works often provide the material on which films are based, and songs receive airplay on radio stations all over the world. One can listen to the radio in the United States at any time and hear music by British, German, Italian, Spanish, and Australian artists, composed and recorded in their native countries. Hence, people often have knowledge of a given work without conscious awareness of such knowledge. Consequently, modern courts probably no longer require animus furandi because works are often plagiarized without conscious awareness of any misdoing.

378. For a complete discussion of the California similarity tests, see supra text accompanying notes 282-308.


380. See, e.g., Stanley v. Columbia Broadcasting Sys., 221 P.2d 73 (Cal. 1950); Weitzenkorn, 256 P.2d at 947. For a more detailed discussion of California's “dramatic core” and “sufficient similarity” tests, see supra text accompanying notes 295-301.

defendant a clear indication of the finished story. 382

New York courts that have addressed idea disclosure protection have not stated a standard for determining misappropriation. Since New York courts essentially protect idea disclosures under a copyright-property theory, it is likely that they utilize the "substantial similarity" test of New York copyright law. 383 Under this theory, misappropriation occurs when an offeror's work is novel, the defendant had access to the work, and the defendant copied it. 384 Some New York courts also require that the copying occur with animus furandi. 385

In Great Britain, courts generally protect idea disclosures under a breach of confidence theory. Under this theory, misappropriation occurs when the plaintiff's idea serves as a springboard for the defendant's work. 386 Courts utilizing this theory, however, have failed to discuss the factors supporting their decisions. Therefore, the British copyright substantial similarity standard can supply the tools the practitioner needs to argue the springboard theory. 387

IV. PROPOSALS FOR IDEA PROTECTION

In response to the exigencies of the late twentieth century, California, New York, and British courts afford idea disclosures some protection. However, in a world where ideas are the currency with which certain industries barter, none of the theories in this area provides idea disclosures adequate protection.

Consequently, this section begins by recommending that the antiquated novelty requirement be discarded, since it is the act of disclos-
ing an idea, not the idea's novelty, that supplies consideration for a contract. In the late twentieth century, the act of disclosure is a service provided to offerees, and this service supplies the consideration for either an express or implied contract. This approach, which is currently used in California, is the better approach and should be uniformly adopted. This section subsequently suggests synthesizing several of the similarity tests into one workable test that can be uniformly applied. Finally, this section considers the issue of damages.

A. Novelty: A Misplaced Requirement

New York and British courts require originality and novelty before protecting idea disclosures. In addition, New York courts use a copyright type of analysis to establish misappropriation. Although an originality requirement is appropriate under copyright law, originality and the more stringent requirement of novelty are misplaced in the idea protection dominion.

The purpose of copyright law is to balance the protections granted to one who promulgates something new, such as a literary work, against the public's need to freely use the new item to generate other new products. In a world shrunken by modern transportation and technology, a work copyrighted in one state can appear in another almost simultaneously. To prevent unscrupulous individuals from claiming some right to this work, copyright law recognizes the original composer's rights, and prevents others from marketing a similar product under another name. On a larger scale, countries enter into copyright agreements in an attempt to prevent the international pirating that plagues modern industry. Therefore, copyright essentially takes the concrete form of a creative work and elevates it to the status of property. The holder of a copyright owns a product that the holder can market freely and exclusively.

Idea disclosures, unlike copyrighted works, are not concrete products offered to the world. One who offers to disclose an idea does so with the intention of offering it to a very limited audience.

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388. For a discussion of the originality and novelty requirements in New York and Great Britain, see supra notes 139-219, 220-68 and accompanying text.
389. For a discussion of this analysis, see supra notes 139-219 and accompanying text.
390. See supra note 8 and accompanying text.
392. In Rokos v. Peck, 227 Cal. Rptr. 480 (Ct. App. 1986), a California court ruled that an implied-in-fact contract will protect literary artists' idea disclosures incident to sale. Id. at 486. The court concluded, however, that ideas are not property capable of assignment. Id.
fornia courts have reasoned that an idea person does not offer a product in exchange for remuneration. Rather, an idea person offers to render a service—the disclosure of a valuable idea—in exchange for payment.393

A valuable idea need not be novel. The requirements of sustaining the motion picture and television industries alone are such that some of the networks and large film studios are currently remaking and updating old television series and motion pictures to fulfill their needs.394 Given the large number of television series and motion pictures that already exist, very little is truly novel.395 Thus, one who discloses an idea in the entertainment industry offers little that has not been seen before. What is valuable is the offeror's ability to suggest something that has been done before in such a fashion that both the offeree and the viewing public find it attractive.396

Rather, the implied-in-fact contract that arises between an offeror and an offeree is of a personal nature, effective only as between the parties. Id. at 487-88. Further, the confidential relationship that arises upon disclosure is limited to "the original parties to the agreement, one of whom obligated him or herself not to disclose the ideas revealed in confidence." Id. at 489.

Hopkins argues that contract theory is fatally flawed, precisely because its protection extends only to parties to the agreement. See Hopkins, supra note 9, at 465. This argument, however, ignores the fact that an offeror can still recover from an original offeree and, under some circumstances, can reach parties actually making use of his idea. For example, the British law of confidence imposes a duty of confidence upon one person who receives a confidential communication from another bound not to disclose said information. See 9 LORD HAILSHAM OF ST. MARYLEBONE, HALSBURY'S LAWS OF ENGLAND ¶ 805, at 513 (4th ed. 1974).

Liability under contract theory is limited, however, to those who knowingly use confidential material; no action lies against an innocent person who uses confidential materials without knowing of the improper source. Id. at 514 n.7 (citing Cooksley v. Johnson & Sons, 25 N.Z.L.R. 834 (1905)).

393. For a discussion of California's approach to idea protection, see supra notes 22-138.
394. Whereas New York courts strictly adhere to the novelty requirement, in that they require that an idea be truly new before they will find it novel, British courts will find novelty so long as an idea contains some new twist or slant. In theory, this is no different than the New York requirement. In practice, however, British courts apparently protect an idea disclosure so long as it consists of more than "trivial tittle tattle." See Coco, 1969 R.P.D. & T.M. at 48.

Nonetheless, British courts would be hard pressed to find novelty in an idea disclosure suggesting that production companies remake old motion pictures and television series. Consequently, novelty should not be required. The fact that an offeree's work grew out of the germ of someone's idea is clear. Thus, whether an idea is novel is irrelevant. The determinative question, therefore, must be: "Whose idea?"

395. In Stanley v. Columbia Broadcasting System, Inc., 221 P.2d 73 (Cal. 1950), concurring Justice Schauer stated that all stories consist of one or more of 36 dramatic situations. See id. at 82 (Schauer, J., concurring). Thus, original plots were exhausted centuries ago.
396. In Stanley, Justice Schauer also suggested that it is the originality of an author's treatment of an old plot that makes a work "original" or "novel." See id. (Schauer, J., concurring).
Idea Protection

California courts understand, for example, that a motion picture or advertising campaign is based upon someone's valuable idea.\textsuperscript{397} Hence, the seminal question is not whether the idea is novel and therefore valuable, but rather whose idea did the offeree use when creating the work. Further, by abrogating the novelty requirement, as California courts have done, a court does not leave the offeree unprotected, because the offeror must still prove that the offeree misappropriated the offeror's idea. That is, the offeror must still prove that it is the offeror's idea upon which the offeree's work is based.

B. Similarity

To establish the misappropriation of idea disclosures, courts utilize similarity standards. Current New York and California courts conducting similarity analyses begin by asking how many similarities exist between two works.\textsuperscript{398} This is the wrong question. Courts should first ask whether one work was based upon the other in any manner. Only after making this determination should they attempt to ascertain the quantum of similarities.

To determine whether one work traces its inception to another, courts need only ask whether the second is based upon the first. This test has already been used by California and British courts, with British courts asking whether the first work served as the springboard for the second.\textsuperscript{399} This standard protects the offeror from any subsequent detrimental use by the offeree. However, to temper the harshness of this rule, which standing alone unfairly denies the offeree any real protection, it should be adopted as part of a two-pronged misappropriation test.

A two-pronged misappropriation test that blends British and California law would provide maximum protection to both the idea person and the offeree. Utilizing the California based upon or Great Britain springboard standard, the first prong ascertains use.\textsuperscript{400} The

\textsuperscript{397} For example, in Desny v. Wilder, 299 P.2d 257 (Cal. 1956), the California Supreme Court stated that it was obvious that the defendant used the plaintiff's script as the basis for his work. \textit{Id.} at 272. The court concluded that because the defendant used the script, he must have found it valuable. \textit{Id.}

\textsuperscript{398} For a discussion of the similarity standards employed by California and New York courts, see \textit{supra} notes 282-348 and accompanying text.

\textsuperscript{399} For a discussion of the California and British based upon tests, see \textit{supra} notes 302-05, 350-62 and accompanying text.

\textsuperscript{400} For a discussion of California's based upon standard, see \textit{supra} notes 302-05 and accompanying text. For a discussion of Great Britain's springboard standard, see \textit{supra} notes 350-62 and accompanying text.
second prong consists of two California similarity tests to ascertain the quantum of similarity and, therefore, damages.401

The most important question in an idea protection case is whose idea the offeree used when creating the work. The British springboard test most fairly answers this question. It does not matter whether an offeree misappropriated substantial portions of an idea, or merely elected to use certain elements contained in the idea. If the offeree elected to utilize any part of the offeror’s disclosure in the offeree’s work, remuneration should follow.

C. Damages

After finding use, courts must ascertain damages by reference to the quantum of use determined by a similarity test. First, courts should perform an objective comparison of the two works without unnecessarily dissecting them.402 After finding that the offeree used the offeror’s idea as a springboard for the offeree’s work, the court must compare the two works’ basic plots and morals. If they are virtually identical, the offeror should be paid as if the offeror was the creator of the offeree’s work. Evidence of the prevailing rates of remuneration for someone of the offeree’s stature at the time of the taking should be offered to enable the court to fix the exact amount of damages.

If the two works are not virtually identical, the amount of remuneration due presents a more difficult question. To resolve this issue, the court must use the substantial similarity test, absent the novelty requirement.403 For example, when an idea person offers to disclose an idea to another for a film, this is not the end of the creative process. Although the offeree may have partially used the idea as a springboard for the offeree’s work, other ideas may have more directly contributed to the work’s genesis. In addition, other people may have added their own creative touches before the work was completed. Thus, an idea may serve as a foundation or starting point for a creative work, but in fact have little impact on the final product. In such a situation, it would be unfair to require the offeree to pay the offeror as if the offeror’s idea was the sole inspiration for the work. Hence,

401. For a discussion of California’s similarity tests, see supra notes 282-308 and accompanying text.

402. This is Stanley’s objective test. See Stanley, 221 P.2d at 73; see also supra text accompanying notes 295-97.

403. For a discussion of the substantial similarity test, see supra notes 285-94 and accompanying text.
courts must answer the difficult question of how much use occurred. This necessitates a more detailed analysis of the two works. By comparing two programs as to plot, characterizations, motivation, subject matter, sequences and milieu, and dramatic gimmicks, courts can better ascertain the quantum of similarity between an idea disclosure and an offeree’s subsequent work based on that disclosure.

V. CONCLUSION

The majority of jurisdictions in the United States currently follow the New York approach to idea disclosures. This approach is unfair and actually discourages the dissemination of ideas. This Comment has attempted to compare New York’s requirements to those of California and Great Britain, both of which offer greater idea disclosure protection than New York. By adopting the two-pronged test suggested in this Comment to determine use and damages, courts will give ideas greater protection upon disclosure. This protection ultimately encourages the dissemination of ideas. While offerees will receive less protection, since novelty is not required, equity will be injected into a system that currently weighs heavily in the offeree’s favor. In Sayre v. Moore, Lord Mansfield stated:

[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 reward for their ingenuity and labor; the other that the world may not be deprived of improvements nor the progress of the arts be retarded.

Courts often cite this talismanic phrase when denying an idea protection, even though they are otherwise willing to protect novel, or original, concrete ideas capable of being copyrighted. The idea-expression dichotomy, which denies protection to ideas but not to an expression of ideas, is an anachronism belonging to an era when artists completed works before offering them for sale. To maintain this artificial distinction in an age when ideas are the valuable commodity upon which businesses rely unfairly prejudices anyone whose living is


406. Id. at 140, cited in Bevan, 329 F. Supp. at 605.

made trading in the realm of the arts. The two-pronged test "guards" against Lord Mansfield's "extremes," fairly balancing the protection afforded idea disclosures against the need to make such ideas available for the common good.

Finally, although the springboard test of use is easy to satisfy, an offeree is not left unprotected, because the offeror must still prove that the offeror's idea disclosure served as the foundation of the offeree's work. This is accomplished either by demonstrating objective similarity as to basic plots and morals, or through a rigorous application of the substantial similarity test. Since an offeree's work is rarely identical to an offeror's idea, recovery is still limited. Thus, the idea person receives a fair payment for the offeree's subsequent use of the offeror's idea, while the offeree is not unfairly burdened by the threat of unlimited recovery.

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This Comment is dedicated to my wife, Kathleen, my daughter, Amanda, and my new son, Taylor. Thank you for your strength, love, understanding, and support. Know that throughout the many hours I was away from home, laboring to complete this enormous undertaking, my thoughts and love were always with you.