Resurrecting the Spirit of the Law: Copyright Preemption and Idea Protection in Montz v. Pilgrim Films

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RESURRECTING THE SPIRIT OF THE LAW: COPYRIGHT PREEMPTION AND IDEA PROTECTION IN MONTZ v. PILGRIM FILMS

Abstract: On May 4, 2011, in Montz v. Pilgrim Films & Television, Inc., the U.S. Court of Appeals for the Ninth Circuit held that an implied-in-fact contract claim survived preemption by the Copyright Act of 1976 because it was qualitatively different from a copyright claim. It did so by applying a permissive interpretation of the extra element test. Under this interpretation, the contract claim alleged an extra element that transformed the nature of the action. This Comment argues that this narrow interpretation of the Copyright Act’s preemption clause was correct because it provides idea-creators with greater protection for their creative concepts and conforms with the Copyright Act’s underlying goals.

Introduction

From 1996 to 2003, Larry Montz, a parapsychologist, and his production partner, Daena Smoller, pitched an idea to various studios and producers for a television series about paranormal investigations. In their conception, the show would follow a team of paranormal investigators, who would visit real world locations and use tools such as magnometers and infrared cameras to corroborate or debunk reports of paranormal activity. Each studio, however, indicated a lack of interest in the project. Yet, according to Montz and Smoller, in 2006 NBC Universal, Inc. (NBC) partnered with Pilgrim Films & Television, Inc. to produce a show—Ghost Hunters—on the SyFy Channel, based on their ideas.

1 Montz v. Pilgrim Films & Television, Inc. (Montz I), 606 F.3d 1153, 1155 (9th Cir. 2010), reh’g en banc granted, 623 F.3d 912 (9th Cir. 2010), rev’d en banc, 649 F.3d 975 (9th Cir.), cert. denied, 132 S. Ct. 550 (2011). The Rhine Research Center, which studies human consciousness, defines parapsychology as “[t]he scientific study of certain paranormal or ostensibly paranormal phenomena, in particular, ESP and [psychokinesis].” A Glossary of Terms Used in Parapsychology, RHINE RESEARCH CTR. (Apr. 20, 2011), http://www.rhine.org/glossary.htm.

2 Id.


4 Id.
As a result, Montz filed suit against several television networks and producers, alleging that the networks and producers had misappropriated Montz’s concept for a television series without compensating or crediting them for its use. Further, Montz asserted that his rights were protected by California implied-in-fact contract law. Yet, in June 2010, in Montz v. Pilgrim Films & Television, Inc. (Montz I), a panel of the U.S. Court of Appeals for the Ninth Circuit held that federal copyright law preempted Montz’s contract claim. After rehearing the case en banc, the Ninth Circuit, in Montz II, reversed the panel’s decision, concluding that Montz’s contract claim survived preemption because it included an extra element that qualitatively differentiated it from a federal copyright claim.

These differing results exemplify courts’ difficulty in choosing between a broad or narrow application of copyright preemption. To protect idea-creators’ creative property and place them on equal footing with producers, however, courts should follow the Montz II court’s example and narrowly construe copyright preemption. By permitting implied-in-fact contract protection of ideas, courts can incentivize innovation without undermining the underlying purposes of federal copyright law.

This Comment evaluates the divergent reasoning and dramatic consequences of the Montz I and Montz II decisions. Part I surveys the relevant law and introduces the parties and the history of their claims. Then, Part II analyzes the panel and en banc courts’ competing interpretations of the plaintiffs’ allegations and considers the impact of those interpretations on courts’ application of the “extra element” pre-

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5 Montz I, 606 F.3d at 1155–56.
6 Id. at 1156.
7 Id. at 1158.
8 Montz II, 649 F.3d at 976–77.
9 Wrench LLC v. Taco Bell Corp., 256 F.3d 446, 456 (6th Cir. 2001) (employing a nuanced equivalency test); ProCD, Inc. v. Zeidenberg, 86 F.3d 1447, 1455 (7th Cir. 1999) (employing a strict equivalency test); see 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 19D.03[C][2] (2010) (examining copyright preemption in terms of state contract law).
12 See infra notes 16–106 and accompanying text.
13 See infra notes 16–51 and accompanying text.
emption test. Finally, Part III considers the policy implications of the Montz II decision and argues that the decision will positively affect idea-creators in California by providing them with greater protection of their creative concepts.

I. MONTZ NAVIGATES COPYRIGHT PREEMPTION

A. The Copyright Act of 1976: Preemption and the Extra Element Test

Congress enacted the Copyright Act of 1976 as a federal protection for published and unpublished works of original authorship. Specifically, the Act extends copyright protection to “original works of authorship fixed in any tangible medium of expression,” including written works, like screenplays, and audiovisual works, like motion pictures. This protection entitles the copyright holder to a number of rights. For example, under section 106, the owner of a copyright has the exclusive right to use and reproduce the copyrighted work. Notably, however, copyright law does not offer protection to ideas or concepts.

Before Congress consolidated federal copyright law in the Copyright Act, state laws provided a patchwork of protection. Those laws were subject only to constitutional preemption and were generally

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14 See infra notes 52–75 and accompanying text.
15 See infra notes 76–106 and accompanying text.
16 17 U.S.C. § 301(a). Until 1978, unpublished works were protected by “common law copyright.” Nimmer & Nimmer, supra note 9, § 19D.01[B]. This state law regime provided generally the same protections as federal copyright law, and was eventually embraced by the Copyright Act. Id.; see 17 U.S.C. § 301(a). In California, however, state statutes provided protection for both unpublished works and ideas. Nimmer & Nimmer, supra note 9, § 19D.01[B]. California law was amended in 1947 to eliminate protection of unpublished concepts, but this change was met by protest from writers in the entertainment industry. Id. California courts responded to the outcry, culminating in the California Supreme Court’s 1956 decision in Desny v. Wilder. See 299 P.2d 257, 269–70 (Cal. 1956); infra notes 24–26 and accompanying text.
18 Id. § 106.
19 Id.
20 Id. § 102(b). The Copyright Act’s lack of protection for ideas is consistent with the longstanding jurisprudential view that “ideas are ‘free as air.’” Nimmer & Nimmer, supra note 9, § 19D.01[B]; see Margit Livingston, Inspiration or Imitation: Copyright Protection for Stage Directions, 50 B.C. L. Rev. 427, 445–47 (2009) (explaining the necessity of stage directors to memorialize their stage directions and ideas during the rehearsal process on video or in prompt books so as to establish copyright protection).
permitted to coexist with similar federal protections. See Miller, supra note 10, at 707 (describing “the jurisprudential ebb and flow” of intellectual property law); see also id. at 746–50 (discussing constitutional preemption).

For example, California created an implied-in-fact contract mechanism by which writers could protect their concepts and ideas. See Desny, 299 P.2d at 269–70 (recognizing implied-in-fact contract protection of ideas under California law); see also Nimmer & Nimmer, supra note 9, § 19D.01[B] (describing California’s pre-1947 statutory protections as “significantly broader than federal statutory copyright”).

In a preemption context, however, courts have routinely held that the Copyright Act can encompass un-copyrightable subject matter such as concepts or ideas. See Desny, 299 P.2d at 269; Stanley v. Columbia Broad. Sys., 221 P.2d 73, 85 (Cal. 1950) (Traynor, J., dissenting) (“The policy that precludes protection of an abstract idea by copyright does not prevent its protection by contract.”). An implied-in-fact contract is one in which the existence and terms are manifested by the conduct of the parties. Cal. Civ. Code § 1621 (West 2011).

Desny, 299 P.2d at 277. Some courts, including the Montz II majority, have concluded that it is standard custom and practice in the entertainment industry to form an implied contract during a pitch meeting. See Montz II, 649 F.3d at 978–79, 981. Critics have called this reasoning conclusory. See, e.g., Nimmer & Nimmer, supra note 9, § 19D.05[A][2][c] (“It is doubtful that there actually exists, today, any industry custom to pay for ideas . . . . It would seem that no other viewpoint could pass muster under Desny v. Wilder.”); Anna R. Buono & Alonzo Wickers IV, Montz v. Pilgrim Films & Television, Inc.: Copyright Preemption and Idea Submission Cases, COMM. LAW., Aug. 28, 2011, at 4, 7 (arguing that courts that have routinely relied on this assumption should conduct a more fact-specific analysis because “there may be many reasons why an author pitches an idea”).

See Desny, 299 P.2d at 270.


Id.; see also §§ 102, 103 (providing the requirements to establish copyrightable subject matter).

See, e.g., Wrench LLC, 256 F.3d at 455 (citing Nat’l Basketball Ass’n v. Motorola, Inc., 105 F.3d 841, 849–50 (2d Cir. 1997); United States ex rel. Berge v. Bd. of Trs. of the Univ. of Ala., 104 F.3d 1453, 1463 (4th Cir. 1997); ProCD, 86 F.3d at 1455) (“We join our sister circuits in holding that the scope of the Copyright Act’s subject matter is broader than the scope of the Act’s protections.”).
der state law must be “equivalent to any of the exclusive rights within the general scope of copyright.” The statute’s legislative history notes that contracts, however, should not be preempted because the rights protected by contract law are not equivalent to those protected by copyright law.

Since the advent of section 301, courts have struggled to articulate when a state contract claim is equivalent to, and thus preempted by, federal copyright law. Most courts, including the Ninth Circuit, employ a nuanced “extra element” test that turns on the content of the alleged promise. Under this approach, copyright law preempts a breach of contract claim if one party to the contract merely promises to refrain from infringing on the other’s exclusive copyright rights. Yet, a promise con-

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30 17 U.S.C. § 301(a).
33 See Christina Bohannan, Copyright Preemption of Contracts, 67 Md. L. Rev. 616, 630–31 (2008). In general, most courts have declined to preempt state contract claims, but their reasoning varies. See Moffat, supra note 32, at 76–77. The Ninth Circuit uses a fact-specific extra element approach to determine whether the asserted state rights are equivalent to those protected by copyright. Grosso v. Miramax Film Corp., 383 F.3d 965, 967–68 (9th Cir. 2004); see Moffat, supra note 32, at 72. The Ninth Circuit outlined its equivalent rights test in the 1987 case Del Madera Properties v. Rhodes & Gardner, Inc., stating: “To survive preemption, the state cause of action must protect rights which are qualitatively different from the copyright rights. The state claim must have an ‘extra element’ which changes the nature of the action.” 820 F.2d 973, 977 (9th Cir. 1987), overruled on other grounds by Fogerty v. Fantasy, Inc., 510 U.S. 517 (1994). In contrast, the U.S. Court of Appeals for the Seventh Circuit took a more categorical approach in its 1999 decision ProCD, Inc. v. Zeidenberg, in which it concluded that two-party contracts are not equivalent to copyright because they protect different rights. See 86 F.3d at 1455; Bohannan, supra note 33, at 630–31. Some scholars have criticized both schools of thought as unfaithful to Congress’s intent. See, e.g., Mark A. Lemley, Beyond Preemption: The Law and Policy of Intellectual Property Licensing, 87 Calif. L. Rev. 111, 147 (1999) (imploring courts to evaluate contract claims for conflict preemption in light of Congress’s intent); Moffat, supra note 32, at 77 (arguing that the “[a]pplication of [section] 301 should be primarily an exercise in discerning congressional intent,” rather than “mechanically stat[ing]” that the Copyright Act never preempts state contract claims).
34 See Montz II, 649 F.3d at 979–80; Bohannan, supra note 33, at 631.
stitutes an extra element required to survive preemption if it binds one party to do or not to do something outside copyright’s general scope.\(^{35}\)

**B. The Ghost of an Idea Takes Corporeal Form, Montz Sues**

In 1981, Montz conceived an idea for a documentary-style program in which cameras would follow a team of paranormal investigators as they conducted field analyses of paranormal activity.\(^{36}\) Between 1996 and 2003, Montz and his publicist and producer, Daena Smoller, (collectively, “Montz”) met with producers and representatives from NBC and its subsidiary, the SyFy Channel, to pitch the idea.\(^{37}\) Montz presented screenplays and videos as part of the proposal, but both networks declined to produce Montz’s concept.\(^{38}\) In late 2004, however, the SyFy Channel debuted the television series *Ghost Hunters*, which chronicled Jason Conrad Hawes and his team of parapsychologist investigators as they traveled the United States in pursuit of paranormal activity.\(^{39}\)

In 2006, Montz filed suit in the U.S. District Court for the Central District of California against NBC, the *Ghost Hunters*’ producers, Hawes, and ten unknown defendants, alleging that *Ghost Hunters* was substantially based on Montz’s concept.\(^{40}\) Montz claimed: (1) unauthorized use of their materials in violation of federal copyright law; (2) breach of an implied-in-fact contract not to develop or disclose their concept without express consent and, if consent was given, to compensate and credit them for their idea; and (3) breach of confidence for appropriating and profiting from their unique concept.\(^ {41}\)

In April 2007, the defendants filed a motion to dismiss for failure to state a claim upon which relief can be granted.\(^ {42}\) The district court denied the motion on the federal copyright claim, but granted the motion on the state law breach of implied contract and breach of confidence claims, reasoning that those claims were preempted by the Copyright Act.\(^ {43}\) Accordingly, the district court dismissed the claims with

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\(^{35}\) See Bohannan, *supra* note 33, at 631.

\(^{36}\) See Montz I, 606 F.3d at 1155.

\(^{37}\) Montz II, 649 F.3d at 977–78.

\(^{38}\) Id.

\(^{39}\) Id.

\(^{40}\) Montz I, 606 F.3d at 1155–56.

\(^{41}\) Id. at 1156.

\(^{42}\) Id.

\(^{43}\) Id.; see 17 U.S.C. § 301(a) (2006).
prejudice and without leave to amend. Soon after, the parties stipulated to the voluntary dismissal of the amended copyright claim with prejudice, and the district court entered a final judgment in favor of the defendants.

In 2010, in Montz I, the plaintiffs appealed the dismissal of their implied contract and breach of confidence claims to the Ninth Circuit. The plaintiffs argued that preemption was improper because the rights they asserted under California implied contract law were not equivalent to those protected within the general scope of copyright law. Despite this argument, the Montz I panel affirmed the district court’s ruling, but after a majority vote of Ninth Circuit judges, the court ordered an en banc rehearing. On rehearing, the en banc Montz II court reversed the panel’s ruling and remanded the case for further proceedings. The en banc court found that the rights asserted in the plaintiffs’ contract claim were not equivalent to those protected by copyright law, and that the claim therefore survived preemption. The defendants’ petition for certiorari was denied on November 7, 2011.

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44 Montz I, 606 F.3d at 1156; see 17 U.S.C. § 301(a).
45 Montz I, 606 F.3d at 1156. In the stipulation, the plaintiffs agreed to drop their copyright claim and the defendants agreed to forego their right under the Copyright Act to seek costs and attorney’s fees. Stipulation for Entry of Judgment for Defendants at 2, Montz I, 649 F.3d 975 (No. 06-7174), 2008 WL 5509918, at *2. The parties jointly filed this stipulation soon after the defendants filed a motion to dismiss. Id. The motion to dismiss stated that Ghost Hunters was not substantially similar to Montz’ proposal, as required to state a claim for copyright infringement under the Copyright Act. Id.
46 Montz I, 606 F.3d at 1156. A court’s extra element analysis is the same for a breach of confidence claim as it is for a breach of contract claim. Nimmer & Nimmer, supra note 9, § 19D.03(C)[2]. On appeal, both the plaintiffs and the court focused on the implied-in-fact contract claim. See Montz II, 649 F.3d at 976–82; Brief of Appellants at 11–20, Montz I, 606 F.3d 1153 (No. 08-56954). In these types of cases, “[t]he question [of] whether contract law claims are pre-empted is nicer.” Nimmer & Nimmer, supra note 9, § 19D.03(C)[2].
47 Montz I, 606 F.3d at 1157; see 17 U.S.C. § 301(a); supra notes 27–31 and accompanying text (discussing the requirements for copyright preemption under § 301(a)). On appeal, the plaintiffs conceded the first requirement of preemption—acknowledging that the materials they presented to NBC and the SyFy Channel were encompassed by the subject matter of copyright. Montz I, 606 F.3d at 1157; see 17 U.S.C. § 301(a). They contended, however, that the second requirement was not met. See Montz I, 606 F.3d at 1157.
48 Montz v. Pilgrim Films & Television, Inc., 623 F.3d 912, 912 (9th Cir. 2010) (granting rehearing en banc); Montz I, 606 F.3d at 1158–59.
49 Id. at 980–81.
50 Id. at 981.
II. Conflicting Applications of the Extra Element Test in Montz I and Montz II

The split between the Montz I panel decision and the Montz II en banc decision clearly illustrates the challenge that the extra element test poses to courts. On a fundamental level, both courts recognized a limited state law exception to copyright preemption based on an implied-in-fact contract remedy. That remedy, outlined in the California Supreme Court’s 1956 decision, Desny v. Wilder, permitted a writer to recover based on a theory of implied contract if a writer discloses an idea to a producer with the mutual understanding that the disclosure is contingent on the producer’s paying to use the idea.

The Ninth Circuit further developed this analytical framework in the 2004 case Grosso v. Miramax Film Corp, in which the court acknowledged a qualitative difference between the rights encompassed by a California Desny claim and those protected by copyright law. The court explained that to state an implied contract claim and survive copyright preemption, a complaint must allege that: (1) the plaintiff disclosed an idea to the defendant for sale; (2) the plaintiff conditioned disclosure upon the defendant’s promise to pay for use of the idea; and (3) the defendant willingly accepted the disclosure with knowledge of the condition. In Grosso, the court held that a writer’s claim against a production company for breach of implied contract was not preempted because it alleged an extra element required to state a Desny claim. The extra element—the producer’s implied agreement to compensate the writer for use of the writer’s work—transformed the nature of the action.

52 Compare Montz v. Pilgrim Films & Television, Inc. (Montz II), 649 F.3d 975, 976–77 (9th Cir.) (applying extra element test permissively), cert. denied, 132 S. Ct. 550 (2011), with Montz v. Pilgrim Films & Television, Inc. (Montz I), 606 F.3d 1153, 1155–56 (9th Cir.) (applying extra element test narrowly), reh’g en banc granted, 623 F.3d 912 (9th Cir. 2010), rev’d en banc, 649 F.3d 975 (9th Cir.), cert. denied, 132 S. Ct. 550 (2011).

53 See Montz II, 649 F.3d at 976–77; Montz I, 606 F.3d at 1155–56.

54 299 P.2d 257, 269–70 (Cal. 1956); see Grosso v. Miramax Film Corp., 383 F.3d 965, 967–68 (9th Cir. 2004).

55 Grosso, 383 F.3d at 967–68; see Montz II, 649 F.3d at 976; Montz I, 606 F.3d at 1157–58; Desny, 299 P.2d at 270.

56 Grosso, 383 F.3d at 967; see Montz II, 649 F.3d at 981; Montz I, 606 F.3d at 1157–58; Desny, 299 P.2d at 270 (cementing the requirements for implied-in-fact contract protection of ideas in California).

57 Grosso, 383 F.3d at 967–68.

58 Id. at 968 (“[A]n extra element . . . transforms the action from one arising under the ambit of the federal statute to one sounding in contract.”).
In applying this framework in *Montz*, however, the panel and en banc courts reached strikingly different conclusions about the terms of the alleged contract and whether the plaintiffs’ rights under that contract were equivalent to those protected by copyright law.\(^{59}\)

The *Montz* I panel distinguished the implied contract between Montz and the defendants from the one alleged in *Grosso*\(^{60}\). The panel reasoned that in *Grosso*, the plaintiff’s pitch of his concept was essentially an offer of sale.\(^{61}\) In *Montz* I, however, the panel interpreted Montz’s pitch as an offer to partner with the defendants in the production of the concept, not as an offer to sell his idea.\(^{62}\) By declining to partner with Montz, the defendants rejected his offer.\(^{63}\) According to the panel, the defendants subsequently made an implied promise to refrain from using or exploiting the plaintiffs’ words or concepts without express consent.\(^{64}\) The rights protected by this contract were, in the panel’s opinion, equivalent to those protected by section 106 of the Copyright Act.\(^{65}\) Therefore, the plaintiffs’ expectation of payment for use of their concept was “merely derivative” of their exclusive monopoly to use and authorize use of their work protected by the Copyright Act, and not based on the defendants’ implied agreement to pay.\(^{66}\) As a result, the panel found that the implied contract did not constitute an extra element to qualitatively differentiate the plaintiffs’ state law claims from a copyright cause of action.\(^{67}\)

Conversely, the *Montz* II en banc court found no difference between Montz’s contract—which offered use of a concept in consideration of partnership and a share of the profits—and the contracts alleged in *Grosso* and *Desny*, which conditioned use on payment.\(^{68}\) In all three cases, the plaintiffs alleged that they disclosed their ideas based on a reasonable expectation of compensation.\(^{69}\) According to the *Montz* II court, even though the defendants declined to partner with Montz to develop the concept into a television series, the terms of use

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\(^{59}\) See *Montz* II, 649 F.3d at 976 (finding an extra element such that Montz’ contract claim survived preemption); *Montz* I, 606 F.3d at 1158 (affirming copyright preemption of Montz’s implied-in-fact contract claim).

\(^{60}\) *Montz* I, 606 F.3d at 1157–58; see *Grosso*, 383 F.3d at 967–68.

\(^{61}\) *Montz* I, 606 F.3d at 1158; see *Grosso*, 383 F.3d at 968.

\(^{62}\) *Montz* I, 606 F.3d at 1157–58.

\(^{63}\) Id.

\(^{64}\) Id. at 1158.


\(^{66}\) *Montz* I, 606 F.3d at 1158; see 17 U.S.C. § 301 (a).

\(^{67}\) *Montz* I, 606 F.3d at 1158; see *Grosso*, 383 F.3d at 967–68.

\(^{68}\) *Montz* II, 649 F.3d at 976; see *Grosso*, 383 F.3d at 967; *Desny*, 299 P.2d at 260–61.

\(^{69}\) *Montz* II, 649 F.3d at 976; see *Grosso*, 383 F.3d at 967; *Desny*, 299 P.2d at 260–61.
remained the same. Thus, if and when the defendants did produce a show based on Montz’s concept, Montz would still deserve compensation under the contract. The court explained that this right to compensation is qualitatively different than—not derivative from—the rights protected by federal copyright law. This is because a copyright creates a public monopoly, whereas an implied contract is a personal agreement between the contracting parties. Further, the court concluded that the complaint sufficiently alleged that the defendants voluntarily accepted the plaintiffs’ disclosure of their concept for sale and were aware of the plaintiffs’ expectations of payment. Moreover, it held that the defendants’ implied promise of compensation for the use of the plaintiffs’ concept constituted an extra element such that the plaintiffs’ contract claim survived preemption.

III. Idea Protection Levels the Playing Field

The different applications of the extra element test in Montz I and Montz II have vast implications for idea-creators like Montz. These cases illuminate the narrow gap in law between copyright and contract protection. Courts should follow the lead of Montz II and permit idea-creators to protect their ideas through implied-in-fact contracts.

70 See Montz II, 649 F.3d at 976.
71 Id.
72 Id.
74 Id. at 981.
75 Id.

77 See Montz II, 649 F.3d at 981; Miller, supra note 10, at 768 (“Contract claims, whether express or implied, should survive preemption [by the Copyright Act].”).
A. Implied-in-Fact Contract Protection Was Montz’s Only Remedy

In Montz, the district court dismissed Montz’s copyright infringement claim. 79 As a result, Montz’s only recourse to protect his concept was through state contract law. 80 Yet on appeal, a Ninth Circuit panel, concluding that the plaintiffs’ complaint stated two implied-in-fact contracts, held that their state claims were preempted by the Copyright Act. 81 In doing so, the court not only denied Montz relief under copyright law, but also used copyright preemption to dismiss Montz’s state law contract claims. 82 In sum, this ruling ensured that Montz would have no way to recover for the defendants’ alleged unauthorized use. 83

Recognizing the repercussions of the panel’s decision, the Ninth Circuit granted a motion for rehearing en banc. 84 The en banc court reversed the panel and allowed the plaintiffs to move past summary judgment and conduct discovery on their state law claims. 85 Although the court did not ensure victory for the plaintiffs, it did provide them with a forum in which to present their arguments. 86

B. Idea Protection Promotes Fairness and Respects Copyright

In the absence of federal protection of ideas, courts should recognize that state law implied-in-fact contracts are often the sole means by which authors can enforce their rights in their own ideas. 87 Protecting

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79 Montz I, 606 F.3d at 1156.
80 See Montz II, 649 F.3d at 981. Additionally, courts have held that the Copyright Act preempts many other state law causes of action because the state actions protect rights equivalent to those within the scope of copyright and do not allege an extra element. See Nimmer & Nimmer, supra note 9, § 19D.03[B]. These include: conversion, interference with contract or prospective business advantage, misappropriation, misrepresentation, unfair competition, unjust enrichment, and quasi-contract. See id. § 19D.03[B][1]–[7].
81 See Montz II, 649 F.3d at 981 (criticizing Montz I implicitly for “trying to limit protection to [plaintiffs] who seek payment, and exclude [those] who want a piece of the action and contractual agreement on the terms of the defendant’s use”); Montz I, 606 F.3d at 1158.
82 See Montz I, 606 F.3d at 1156, 1158.
83 See id.
84 See Montz II, 649 F.3d at 978.
85 See id. at 981.
86 See id.
the rights of idea-creators is both important and reasonable.88 First, doing so does not conflict with the purpose and policies underlying the Copyright Act.89 Second, particularly in the entertainment industry, protecting the rights of idea-creators reduces the vast gap in bargaining power between authors and production studios.90

Providing contract protection to idea-creators is not contrary to the purpose of the Copyright Act because contract protection is limited.91 Bilateral contracts governing the use of a work or concept affect only the contracting parties and do not limit the rights of the general public.92 As the Montz II court explained, the purpose of a copyright is to create a “public monopoly.”93 Thus, in an equivalent rights analysis, a state law claim should be preempted only if it asserts monopolistic rights in a copyrightable subject matter.94 Therefore, if an implied-in-fact contract does not affect the rights of individuals outside the pitch meeting, the contract must not be preempted by the Copyright Act.95

The risk of conflict with federal copyright policy is particularly limited in idea submission cases.96 Because the idea-creator has yet to produce a copyrightable work, the idea is not protected by federal law and is vulnerable to exploitation.97 Furthermore, an idea-creator will be more willing to develop and share concepts if state law provides some assurance that the creator can realize a concept’s economic potential.98 Therefore, allowing state law protection of ideas would actually increase

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88 See infra notes 91–106 and accompanying text.
89 See infra notes 91–95 and accompanying text.
90 See infra notes 96–106 and accompanying text.
92 See 17 U.S.C. § 301(a) (2006); Montz II, 649 F.3d at 980–81; Bohannan, supra note 33, at 650.
93 See Montz II, 649 F.3d at 980–81.
94 See Miller, supra note 10, at 764.
95 See id.; see also Montz II, 649 F.3d at 978 (describing how the circumscribed, “bilateral understanding” of contract protection is qualitatively different from copyright protection).
96 See Miller, supra note 10, at 764, 772 (stating that “the risk of conflict with federal policy is . . . attenuated”).
97 See id. at 772–73.
98 See id.; Rubin, supra note 97, at 665 (explaining that if the television industry condones copying ideas without payment, “there is little incentive to invest in creative ideas and all programming becomes comodified, reducing the value of the entire resource pool and reducing any incentive for innovation”).
the number of ideas available for general use by society, in line with federal policy.\textsuperscript{99}

Furthermore, a more permissive extra element test would help reduce the gap in bargaining power between idea-creators and producers.\textsuperscript{100} At a pitch meeting, even though the writer presents the potentially valuable idea, the producer has all the power.\textsuperscript{101} A producer may accept the idea and compensate the writer, reject the idea and not compensate the writer, or use the idea and still not pay.\textsuperscript{102} In the third scenario, absent implied-in-fact contract protection, the writer would have no recourse.\textsuperscript{103} Although a producer may face industry sanctions for repeatedly appropriating writers’ ideas without compensation, the writers themselves are unable to recover damages.\textsuperscript{104} This is why the \textit{Montz II} court described contract law as “the most significant remaining state-law protection for literary or artistic ideas.”\textsuperscript{105} An implied-in-fact contract puts the writer on more equal footing with the producer.\textsuperscript{106}

\textsuperscript{99} See Miller, supra note 10, at 772–73 (“Enforcement of contractual obligations in idea submission cases should increase the number of ideas and the fruits of their elaboration available to society, actually promoting the federal policy of advancing science and the useful arts.”).

\textsuperscript{100} See \textit{Montz II}, 649 F.3d at 976, 981. Even critics of \textit{Desny} protection acknowledge this power disparity. See \textit{Desny} v. Wilder, 299 P.2d 257, 270 (Cal. 1956); Buono & Wickers, supra note 25, at 7 (criticizing \textit{Desny} protection, but explaining that any sort of express waiver of contract rights emanating from a pitch meeting “should be written in plain English, especially because they often will be presented to unsophisticated (and unrepresented) parties”).

\textsuperscript{101} See Jay Rubin, Note, \textit{Television Formats: Caught in the Abyss of the Idea/Expression Dichotomy}, 16 Fordham Intell. Prop. Media & Ent. L.J. 661, 664–65 (2006) (noting that it is the producer’s choice whether to honor “the gentlemen’s agreement” or to “borrow significantly and directly from . . . those who pitch television formats”). Courts and commentators acknowledge that in today’s economy, ideas are increasingly valuable. See \textit{Desny}, 299 P.2d at 265; Miller, supra note 10, at 711–12. The \textit{Desny} court recognized the value of ideas, explaining that in the entertainment industry, producers depend heavily on the ideas of others because they “may not find [their] own sufficient for survival.” \textit{Desny}, 299 P.2d at 265. According to some commentators, the value of ideas has only increased over time. See Miller, supra note 10, at 714. As a result of modern technological advances and the opening of global markets, “the market for ideas is more lucrative, populated, demanding, and varied than ever before.” \textit{Id.}

\textsuperscript{102} See Kulik, supra note 32, at 1.

\textsuperscript{103} See \textit{Montz II}, 649 F.3d at 981; Miller, supra note 10, at 715–20.

\textsuperscript{104} See \textit{Montz II}, 649 F.3d at 976–77, 981; Basin & Rad, supra note 87, at 751 (“Although some entertainment companies settle, many choose to expend substantial time and money defending against [idea-submission] claims, hoping to make a point or to avoid creating a reputation that will bankrupt them as a stream of small settlements add up.”).

\textsuperscript{105} See \textit{Montz II}, 649 F.3d at 981 (quoting Benay v. Warner Bros. Entm’t, Inc., 607 F.3d 620, 629 (9th Cir. 2010)).

\textsuperscript{106} See \textit{id.}.
Conclusion

Courts should follow the reasoning of *Montz II* and permissively apply the extra element test to allow idea-creators to protect their valuable concepts through implied-in-fact contracts. This interpretation does not undermine the purposes of the Copyright Act because it only permits limited—not monopolistic—protection of ideas. Furthermore, offering this protection would reduce the bargaining power gap between idea-creators and producers and would provide incentive for creators to develop their concepts.

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