

December 2014

## Cases of Note -- Copyright v. Implied Contract

Bruce Strauch

*The Citadel*, [strauchb@citadel.edu](mailto:strauchb@citadel.edu)

Follow this and additional works at: <http://docs.lib.purdue.edu/atg>

 Part of the [Library and Information Science Commons](#)

---

### Recommended Citation

Strauch, Bruce (2011) "Cases of Note -- Copyright v. Implied Contract," *Against the Grain*: Vol. 23: Iss. 3, Article 31.

DOI: <https://doi.org/10.7771/2380-176X.5909>

This document has been made available through Purdue e-Pubs, a service of the Purdue University Libraries. Please contact [epubs@purdue.edu](mailto:epubs@purdue.edu) for additional information.

## Questions & Answers from page 59

(sometimes the editor and sometimes the business manager specified). Do these individuals listed as the owner own the copyright or does the college? There are no institutional records to clarify the ownership situation.

**ANSWER:** Yearbooks are treated just like any other copyrighted work. For example, assume that the 1933 yearbook contains a copyright notice. It received 28 years of protection but would have had to be renewed for copyright in 1961. If the renewal took place, then it is still protected by copyright until 2028 (95 years after 1933). If the renewal did not occur, and frankly, it is unlikely that the work was renewed for copyright, then it is now in the public domain. The only way to be sure about renewal is: (1) contact the copyright holder (the company may now be out of business though) or (2) contact the U.S. Copyright Office and pay for a search of the records. Electronic records exist only for works registered from 1978 to the present, but those can be reviewed online directly by the public at no charge. To search the pre-1978 records, the Copyright Office charges for the search, but the search should not take long to complete.

The yearbooks published without a copyright notice are in the public domain because they were published without notice. Even for the yearbooks that contain a notice, it is actually unlikely that they were renewed for copyright — only about 80-85% of works were ever renewed for copyright and those tended to be works that were still being marketed at that time. Typically, the market for yearbooks is only the year of publication.

The notices of copyright indicate that the editor or business manager own the copyright. If the college was the owner, usually its name would appear as the copyright owner. Without records, it is difficult to determine any ownership beyond that found in the notice. My best guess is that the college did not own the copyright. Today, institutions are much more

likely to negotiate for copyright ownership than during those years.

Because of all of this, the library may well decide to go forward and digitize the yearbooks and simply assume the risk that no copyright owner will come forward and complain. It might be useful to determine what strategy will be employed should an owner ever come forward.

**QUESTION:** A medium-sized public library wants to record the story time for children and then replay them on the local community access channel. Will the library need to get permission for each book? Are there problems with filming the children who are listening to the story time reading?

**ANSWER:** If a librarian was simply reading a book aloud to children present in the public library, there would be no problem because of section 110(4) of the Copyright Act which exempts certain public performances such as reading the book aloud under certain conditions which story times typically meet. The problem raised by this question is the recording of the reading and then replaying it over the air. There is no exception in the copyright law either for the recording or for replaying on television, even on community access channels.

On the other hand, would the copyright owner object? It is hard to predict. The safest course would be to seek permission from the publisher and to ask to record the reading and play the video over the community access channel. In fact, the library could ask the publisher for permission for several titles at once and see what the response might be.

Concerning the filming of children participating in story time, there are serious legal issues. It will require parental permission, etc. As important as those issues are, they have nothing to do with copyright. The public library should consult with the city or county attorney about this issue and what releases may be required to permit the filming.


**QUESTION:** When someone produces a

genealogical transcription, is that transcription copyrightable?

**ANSWER:** A genealogical transcription may be defined as a readable version of a document in which the original handwriting is difficult to read. Any copyright would exist in the original document and would belong, at least initially, to the original author.

In all likelihood, the work was not published but remained in manuscript format or was a handwritten document. So, the work was protected by common law copyright if it was created before 1-1-78. This meant that the work was ineligible for federal copyright protection because it was not published, but it also meant that it never entered the public domain. When the Copyright Act of 1976 was enacted, Congress set a date at which unpublished works would enter the public domain. For such works that existed on 1-1-78 but which remained unpublished through the end of 2002, they entered the public domain at the very end of 2002 or life of the author plus 70 years, whichever was greater. If the works were published between 1978 and the end of 2002, it does not enter the public domain until the end of 2047 or life of the author plus 70 years, whichever is greater.

Even though the transcription is a very useful thing, it does not create a new copyright in the work. On the other hand, a compilation of transcriptions, as long as the compilation is not a total universe of documents (such as all of the letters of a particular writer), the compilation might be copyrightable as a compilation. The compilation itself has to be original, and that means that there is sufficient creativity in the combination of the selection of items to include, in the indexing, the organization, or in value adding to the material.

Oddly, if the work is in the public domain and someone translates it into a foreign language, the translation may be copyrightable as a derivative work since translations have been held to meet the originality standard. 



## Cases of Note — Copyright v. Implied Contract

Column Editor: **Bruce Strauch** (The Citadel) <strauchb@citadel.edu>

**Larry Montz; Daena Smoller v. Pilgrim Films & TV; NBC Universal et al.**, UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT, 2011 U.S. App. LEXIS 9099.

*This scintillating column has frequently covered the litigation travails of poor shlubs who shop their screenplay idea to a movie company and then see it appear under someone else's name. Unable to claim copyright to an idea, their lawsuit ends up with zilch. So why didn't they follow the script of this case?*

As far back as 1956, the California Supreme Court recognized an implied contractual right when a writer submitted his work to a producer. **Desny v. Wilder**, 46 Cal. 2d 715,

299 P.2d 257 (Cal. 1956). And this “Desny claim” has been around for fifty years. See **Gunther-Wahl Productions, Inc. v. Mattel, Inc.**, 104 Cal. App. 4th 27 (2002).

But is it preempted by federal copyright law? Not according to **Grosso v. Miramax Film Corp.**, 383 F.3d 965 (9th Cir. 2004), cert. denied 546 U.S. 824 (2005). The expectation of payment for the use of an idea adds a new element that takes it out of the realm purely protected by copyright. “Contract law, whether through express or implied-in-fact contracts, is the most significant remaining state-law protection for literary or artistic ideas.” **Benay v. Warner Bros. Entm’t, Inc.**, 607 F.3d 620, 629 (9th Cir. 2010).

### Let’s Learn About Larry

Our plaintiff **Larry Montz** is a parapsychologist and naturally had a super-duper idea for a TV series to feed America’s prodigious appetite for the weird and unexplained. A crack team of paranormal sleuths would roam the world with cool gear like magnetometers and infrared cameras investigating paranormal happenings. Ghosts. Poltergeists. Magnetic ley lines. Doubtless some sexy babes mixed in. Hoo-ha! Reality TV at its finest and just the stuff that makes America the world’s leading cultural imperialist.

**Daena Smoller**, publicist and producer, made the pitch to NBC, the **Sci-Fi Channel**

*continued on page 61*

## Cases of Note from page 60

and others. **Montz** and **Smoller** were not amateurs at this, and showed screenplays and videos to illustrate this cutting-edge, high-concept series. But the studios showed no interest. Or at least feigned disinterest.

Because shortly thereafter, **NBC** partnered up with **Pilgrim Films** to produce *Ghost Hunters* in which — wait for it! — a crack team of paranormal sleuths with cool gear roamed the earth investigating weird stuff.

So **Montz** and **Smoller** went to law.

### The Suit Against the Suits

**Montz** and **Smoller** alleged an implied-in-fact contract pursuant to custom and practice in the industry. Their ideas would be confidential and not be divulged without **Montz** and **Smoller** sharing in the moolah. And **NBC** and **Pilgrim** exploited the ideas for big bucks without cutting in **Montz** and **Smoller**.

Defendants won a dismissal on the basis of federal copyright claim preempting the state-law claims.

### The Law of the Case

Ideas pitched to movie and TV producers can't be protected by copyright. They are after all ideas and not expression. 17 U.S.C. § 102. But they can sho' nuff be stolen. And that violates the implied contract to pay the writer if the idea is used.

*Desny* involved an idea pitched to the famous director **Billy Wilder** of *Sunset Boule-*

*vard* and *Witness for the Prosecution*. *Ace in the Hole* was based on **Floyd Collins** being trapped in a cave for two weeks. **Wilder** failed to pay the idea pitchman and lost the lawsuit.

But what about this preemption thingy? It kicks in trumping state law whenever the issue is “within the general scope of copyright.” 17 U.S.C. § 301(a). But ideas not within a fixed medium are not within the scope of copyright. Which is to say the yow-yowing of a fast talking pitchman. Which the case calls ideas that are “still purely airborne.” Or hot air if you will. And even if written down, [i]n no case does copyright protection for an original work of authorship extend to any idea ... [or] concept ... embodied in such work.” 17 U.S.C. § 102.

To escape preemption, the state cause of action must assert rights different from those protected by copyright. A *Desny* claim has that extra element — the agreement to pay for the use of an idea. This implied agreement is a personal one between the parties and has nothing to do with the monopoly protection of copyright. See *Rokos v. Peck*, 182 Cal. App. 3d 604, 617 (1986). Implied-in-fact contracts are personal between the contracting parties and effective only between them. *Id.* at 617.

“A copyright is a right against the world. Contracts, by contrast, generally affect only their parties; strangers may do as they please, so contracts do not create ‘exclusive rights.’”



*ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1454 (7th Cir. 1996). Which is to say an evesdropper not party to the contract could grab the idea and run with it.

### Some More History

Defendants had been removing *Desny* cases to federal court and arguing preemption with some success. Resulting in a law review article of course. See

**Glen L. Kulik**, *Copyright Preemption: Is This the End of Desny v. Wilder?*, 21 Loy. L.A. Ent. L. Rev. 1, 14 (2000). And *Worth v. Universal Pictures, Inc.*, 5 F. Supp. 2d 816, 822 (C.D. Cal. 1997) boldly held “[m]ovie screenplays, the subject matter at issue, are encompassed within the federal copyright law. Therefore, Plaintiffs’ cause of action for breach of implied contract is preempted.”

But then a lowly district court held an implied-in-fact contract claim survived preemption. “[T]he whole purpose of the contract was to protect Plaintiff’s rights to his ideas beyond those already protected by the *Copyright Act*...” *Groubert v. Spyglass Entm’t Group*, No. CV 02-01803, 2002 U.S. Dist. LEXIS 17769, 2002 WL 2031271, at 4 (C.D. Cal. July 23, 2002).

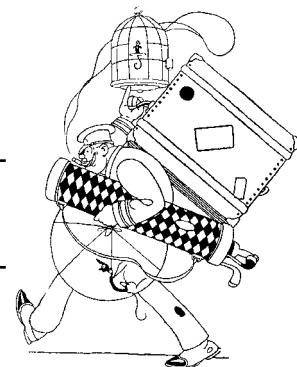
And the **Great Nimmer** descended from on high and expressly penned an approval. See *Nimmer* § 19D.03[c][2].

And all the copyright leaders and followers and get-out-of-the-way-ers prostrate themselves before the sacred writ of **Nimmer**. Not least of which is the 9th Circuit. 🐼

## Biz of Acq — Acquisitions and the Digital Repository

by **Steven Douglas** (Head, Collection Management, Health Sciences and Human Services Library, University of Maryland Baltimore, 601 W. Lombard Street, Baltimore, MD 21201; Phone: 410-706-8856; Fax: 410-706-8860) <sdouglas@hshsl.umd.edu>

Column Editor: **Michelle Flinchbaugh** (Acquisitions Librarian, Albin O. Kuhn Library & Gallery, University of Maryland Baltimore County, 1000 Hilltop Circle, Baltimore, MD 21250; Phone: 410-455-6754; Fax: 410-455-1598) <flinchba@umbc.edu>



While many libraries are establishing digital repositories and archives, few have the resources to hire dedicated repository staff. This provides an opportunity for serials and acquisitions departments which are increasingly finding their traditional work withering away. Librarians and technicians in acquisitions departments generally have a broad array of existing skills that can be applied to populating institutional repositories. Acquisitions librarians are skilled in managing the flow of materials as they enter library collections, and acquisitions staff have at least moderate computer skills and are accustomed to doing skilled yet redundant print-based work. Acquisitions staff are also accustomed to working with the various licenses and user agreements needed to obtain digital materials.

This paper is based on the authors’ experience in integrating institutional repository work into their departments at the **University of Maryland**, Baltimore Health Science and Human Services Library and the **UMBC’s** Albin O. Kuhn Library.

### Health Sciences and Human Resources Library Collection Management Department Support for the UMB Digital Archive

The staffing of the Collection Management Department at the Health Sciences and Human Services Library (HS/HSL) of the **University of Maryland, Baltimore (UMB)** has not changed in over ten years. While collection practices have shifted toward e-resources, the staffing remains strongly oriented toward acquisition of print resources. The Head, Collection Management oversees library-wide collection development and supervises serials, acquisitions, and budgeting for resources. He is assisted by a Digital Resources Librarian whose major responsibility is establishing and maintaining access to electronic resources. Four paraprofessional Library Technicians perform traditional serials and acquisitions tasks. The Serials Technician is responsible for journal check-in and claiming, the Bindery Technician manages the commercial

*continued on page 62*