

No.

11-143

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Supreme Court of the United States

PILGRIM FILMS & TELEVISION, INC.,
NBC UNIVERSAL, INC., CRAIG PILIGIAN,
JASON CONRAD HAWES, AND
UNIVERSAL TELEVISION NETWORKS,

Petitioners,

v.

LARRY MONTZ AND DAENA SMOLLER,

Respondents.

**On Petition For A Writ Of Certiorari
To The United States Court Of Appeals
For The Ninth Circuit**

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

The Copyright Act of 1976 “creat[es] national, uniform copyright law by broadly pre-empting state statutory and common-law copyright regulation.” *Cmtty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 740 (1989). For any works that fall “within the subject matter of copyright,” Section 301(a) of the Act expressly preempts “all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright.” 17 U.S.C. § 301(a).

In this case, the plaintiffs allege that the defendants produced a television show based on ideas in certain copyrighted materials they had pitched several years earlier. In addition to a copyright claim that has now been dismissed, the plaintiffs asserted a state-law claim for breach of implied contract, along with a related claim for breach of confidence, asserting that they expected compensation if the defendants used their ideas. Although these state-law claims would have been preempted in the Second and Fourth Circuits, the Ninth Circuit, sitting en banc, held that the rights invoked by the plaintiffs were not “equivalent” to copyright law because they included an “extra element”—failure to pay in violation of an “implied agreement” or an implied “confidential relationship.” The question presented is:

Whether the plaintiffs’ claims for breach of implied contract and breach of confidence are preempted by the Copyright Act of 1976. *See* 17 U.S.C. § 101 *et seq.*

RULE 29.6 STATEMENT

Pursuant to this Court's Rule 29.6, undersigned counsel state that NBC Universal, Inc. is now known as NBCUniversal Media, LLC. NBCUniversal Media, LLC is a Delaware limited liability company and is indirectly owned 51% by Comcast Corporation and 49% by General Electric Company, which are both publicly traded. Neither Comcast Corporation nor General Electric Company has a parent company, and no other publicly held company owns 10% or more of their stock.

Universal Television Networks, a New York general partnership, is a wholly owned, indirect subsidiary of NBCUniversal Media, LLC.

Pilgrim Films & Television, Inc. is a California corporation wholly owned by Pilgrim Studios, Inc., a privately held California corporation.

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PETITION FOR A WRIT OF CERTIORARI

Petitioners NBC Universal, Inc., Pilgrim Films & Television, Inc., Craig Piligian, Jason Conrad Hawes, and Universal Television Networks respectfully petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit.

OPINIONS BELOW

The opinion of the en banc court of appeals (App., *infra*, 1a-24a) is not yet published but is electronically reported at 2011 WL 1663119. The order for rehearing en banc (App., *infra*, 58a) is reported at 623 F.3d 912, and the superseded panel opinion (App., *infra*, 25a-36a) is reported at 606 F.3d 1153. The district court's opinion (App., *infra*, 37a-55a) is unreported.

JURISDICTION

The judgment of the court of appeals was entered on May 4, 2011. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Sections 102, 103, 106, and 301 of the Copyright Act of 1976, 17 U.S.C. §§ 102, 103, 106, and 301, are set forth in the appendix to this petition (App., *infra*, 83a-88a). Section 301(a) provides:

On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified

by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

STATEMENT

Section 301(a) of the Copyright Act of 1976 expressly preempts state-law causes of action that offer rights “equivalent” to those protected by copyright law. 17 U.S.C. § 301(a). The “express objective” of this provision was to “creat[e] national, uniform copyright law by broadly pre-empting state statutory and common-law copyright regulation.” *Cmt’y. for Creative Non-Violence v. Reid*, 490 U.S. 730, 740 (1989). For the last several decades, however, there has been widespread and acknowledged disagreement among the federal courts regarding which types of state laws offer rights “equivalent” to copyright law.

The Ninth Circuit below held that claims for breach of an implied contract and breach of confidence are not “equivalent” to copyright claims, and thus are not preempted, because they require a failure to pay in violation of an “implied agreement” or confidential understanding. App., *infra*, 10a. In the Second and Fourth Circuits, by contrast, such claims are preempted because they seek to protect the same rights against unauthorized use that Congress has made enforceable *only* under the copyright laws.

The Court should grant certiorari to resolve this conflict and to provide much-needed guidance to the lower courts about the proper interpretation of Section 301—an issue this Court has never addressed.

“Unless and until [this] Court provides a uniform interpretation for federal courts to follow,” the “outcome of preemption challenges” under Section 301 will be “determined less by the intent of Congress than by the iron law of real estate: location, location, location.” Robert W. Clarida & Robert J. Bernstein, *New York and California Courts Split on Preemption of Idea Claims*, N.Y.L.J., July 15, 2011, at 3. This Court’s review is warranted.

1. Under the Copyright Act of 1909, federal copyright protection was, with limited exceptions, available only after “publication.” Pub. L. No. 60-349, § 12, 35 Stat. 1075, 1078 (1909). For unpublished works, by contrast, copyright protection was available under state law. *See id.* § 2, 35 Stat. at 1076. Copyright was thus governed by multiple regimes in which the scope of copyright protection varied widely—both among states, in the case of unpublished works, and between state laws and federal law, in the case of published works.

Congress repudiated this dual regulatory regime in 1976. In the Copyright Act of 1976, Congress “substitut[ed] a single Federal system” for the “anachronistic, uncertain, impractical, and highly complicated dual system,” and thereby attempted to “avoid the practical difficulties of determining and enforcing an author’s rights under the differing laws and in the separate courts of the various States.” H.R. Rep. No. 94-1476, at 129 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5745.

Congress “accomplishe[d] the general federal policy of creating a uniform method for protecting and enforcing certain rights in intellectual property by preempting other claims.” *Daboub v. Gibbons*, 42 F.3d 285, 288 (5th Cir. 1995). In particular, Section

301(a) of the Copyright Act of 1976 preempts state-law claims where the plaintiff's work "come[s] within the subject matter of copyright," and the state law grants "legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright." 17 U.S.C. § 301(a). Where these two requirements—typically known as "subject matter" and "general scope"—are satisfied, federal law provides the *only* protection for the plaintiff's work: "[N]o person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State." *Ibid.*

The breadth of this preemption provision reflects Congress's desire to "conver[t] all state common or statutory law 'within the general scope of copyright' into federal law to be uniformly applied throughout the nation." *Ritchie v. Williams*, 395 F.3d 283, 286 (6th Cir. 2005) (quoting 17 U.S.C. § 301(a)). Section 301 was "stated in the clearest and most unequivocal language possible" to "avoid the development of any vague borderline areas between State and Federal protection." H.R. Rep. No. 94-1476, at 130, *reprinted in* 1976 U.S.C.C.A.N. 5659, 5746. Indeed, the Copyright Act is so "unusually broad in its assertion of federal authority" that it *completely* preempts state law, and thus any "state law claims" seeking copyright-like protections "must be recharacterized as copyright infringement and copyright ownership claims." *Ritchie*, 395 F.3d at 286-87; *see also Stuart Weitzman, LLC v. Microcomputer Res., Inc.*, 542 F.3d 859, 864 (11th Cir. 2008) (collecting citations). As a result, and unlike under prior law, states are no longer "free to expand the perimeters of copyright protection to their own liking." *Harper & Row, Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 200 (2d

Cir. 1983), *rev'd on other grounds*, 471 U.S. 539 (1985).

Under California law that predates Section 301, an implied contract is created between a writer and a producer if the writer submits material to the producer with the understanding that the writer will be compensated if the material is used. *See Desny v. Wilder*, 299 P.2d 257, 270 (Cal. 1956). For years, the California courts and the Ninth Circuit have grappled with whether these so-called *Desny* claims are consistent with the Copyright Act's preemption provision.

2. Respondent Larry Montz is a parapsychologist. App., *infra*, 4a. He claims that, in 1981, he developed the concept for a television show that would “follow a team of paranormal investigators conducting field investigations,” in which “they would use magnetometers, infrared cameras, and other devices to investigate reports of paranormal activity.” *Ibid.* According to the complaint, he drafted treatments for the concept, which he registered with the Writers Guild of America and submitted to the United States Copyright Office for registration, *id.* at 64a ¶ 17, and also prepared video tapes and “other written materials” based on his concept, *id.* at 66a ¶ 21.

From 1996 to 2003, Montz—along with Respondent Daena Smoller, a publicist/producer—allegedly pitched his concept to several television studios, including NBC and the Sci-Fi channel. App., *infra*, 4a.¹ During these meetings, Montz asserts, he “presented screenplays, videos, and other materials relat-

¹ Montz and Smoller are both plaintiffs in this litigation. Because their claims are identical, this petition will, for ease of reference, refer only to Montz.

ing to th[e] proposed show.” *Id.* at 5a. Montz claims that he did so “pursuant to the standard custom and practice in the industry with respect to the exchange of creative ideas,” under which (he alleges) the studios “would not . . . exploit [his] ideas and concepts without compensation and without obtaining [his] consent,” *id.* at 71a-72a ¶ 46.

According to Montz, he “presented [his] ideas” to the studios “for the express purpose of offering to partner with [them] in the production, broadcast and distribution of the Concept.” App., *infra*, 72a ¶ 47. Based on the purported “custom and practice of the entertainment industry,” he claims to have “justifiably expected to receive a share of any profits and credit that might be derived from the exploitation of [his] ideas and concepts.” *Ibid.* The studios were not interested in Montz’s concept. *Id.* at 66a ¶ 21.

In November 2006, Montz filed suit in the Central District of California, alleging that NBC had partnered with Piligian and Pilgrim to produce a show on the Sci-Fi channel called *Ghost Hunters* that, Montz claims, “repackaged [his] ideas and concepts.” App., *infra*, 67a ¶ 23. NBC, Piligian, and Pilgrim were named as defendants along with one of the stars of *Ghost Hunters* (Hawes); Universal Television Networks was named as a defendant in an amended complaint. Montz alleged that the defendants were liable for copyright infringement, as well as under several state-law theories, including breach of implied contract and breach of confidence. *See id.* at 68a-80a ¶¶ 27-85.

The district court dismissed the implied-contract and breach-of-confidence claims as barred by Section 301. Even though ideas “do not qualify for copyright protection,” Montz’s ideas are “considered the subject

matter of copyright for purposes of preemption” because they were embodied in his treatments, videos, and other materials. App., *infra*, 43a.

Turning to the general scope requirement, the district court noted that “a breach of contract claim based solely on unauthorized use of [the plaintiff’s] ideas without compensation is equivalent to protection under the Copyright Act.” App., *infra*, 45a. Because Montz’s breach-of-contract claim is “based on allegations that Defendants had an implied agreement not to disclose or exploit [his] ideas without compensating [him],” the court concluded, that claim is preempted. *Ibid.* And because the “allegations supporting [Montz’s] breach of confidence claim are identical to those offered in support of the breach of implied-in-fact contract claim,” the breach-of-confidence claim is likewise preempted. *Id.* at 48a.

Following dismissal of these state-law claims, Montz stipulated to dismissal of his copyright claim with prejudice, and the district court entered final judgment against him. App., *infra*, 56a-57a.

3. A panel of the United States Court of Appeals for the Ninth Circuit affirmed. Montz did not dispute that the subject matter requirement is satisfied, and the panel’s “inquiry [was] therefore limited to whether the claim[s] satisf[y] the second condition—that is, whether the rights asserted under the claim[s] are ‘equivalent’ to the exclusive rights of copyright owners under [Section] 106.” App., *infra*, 29a. The panel concluded that they are.

Starting with Montz’s implied-contract claim, the panel noted that “Section 106 confers upon copyright owners the exclusive rights to reproduce, to distribute, and to display original works of authorship, and to prepare works derived from the originals,” as well

as the “exclusive right to authorize” those actions. App., *infra*, 29a-30a. “The gravamen of [Montz’s] claim is that the defendants used [his] work, without authorization, to create (and then profit from) a new television program.” *Id.* at 30a. “The rights asserted by [Montz] are thus equivalent to the rights of copyright owners under [Section] 106—namely, the exclusive rights to use and to authorize use of their work.” *Ibid.*

Montz argued that his claim is not preempted because the “‘implied promise to pay’ for use of [his] idea constituted an ‘extra element’” sufficient to distinguish his claim from a copyright-preemption claim, App., *infra*, 31a (quoting *Grosso v. Miramax Film Corp.*, 383 F.3d 965, 968 (9th Cir. 2004)), but the panel noted that “any copyright owner” would naturally expect payment if his work were “used without [his] permission,” *id.* at 32a. Montz’s claim for breach of an implied contract is “part and parcel of a copyright claim” and therefore preempted. *Id.* at 33a (quoting *Laws v. Sony Music Entm’t, Inc.*, 448 F.3d 1134, 1144 (9th Cir. 2006)). And because Montz’s claim for breach of confidence “simply echoes the allegations of the breach-of-implied-contract claim,” it similarly “stems from an alleged violation of the very rights contained in [Section] 106—the exclusive rights of copyright owners to use and to authorize use of their work.” *Id.* at 34a.

4. The Ninth Circuit ordered rehearing en banc and reversed. App., *infra*, 4a. “[T]he rights created under California law emanating from *Desny*” are “qualitatively different from the rights protected by federal copyright law,” the court concluded, “because a *Desny* claim includes an added element: an agreement to pay for use of the disclosed ideas.” *Id.* at

10a. This “extra element, the implied agreement of payment for use of a concept, is a personal one, between the parties,” that precludes “the rights asserted in a *Desny* claim” from equivalency with “[t]he rights protected under federal copyright law.” *Id.* at 10a-11a.

The court explained that its reasoning “also recognizes the gap that would otherwise exist between state contract law and copyright law in the entertainment industry.” App., *infra*, 12a. Because ideas are unprotected by copyright law, “[t]he *Desny* innovation serves to give some protection for those who wish to find an outlet for creative concepts and ideas but with the understanding that they are not being given away for free.” *Ibid.* “Without such legal protection,” the court lamented, “potentially valuable creative sources would be left with very little protection in a dog-eat-dog business.” *Ibid.* (citing Woody Allen, *Crimes and Misdemeanors* (Orion Pictures 1989)).

For similar reasons, the court concluded, Montz’s “claim for breach of confidence also survives copyright preemption.” App., *infra*, 13a. That claim “protects the duty of trust or confidential relationship between the parties,” which is an “extra element that makes it qualitatively different from a copyright claim.” *Ibid.*

Judge O’Scannlain dissented, along with Judges Gould, Tallman, and Bea. He emphasized that the defendants allegedly “produced and broadcast a television program derived from Montz’s screenplays, video, and other materials *without authorization*,” and that this claim is “equivalent to the rights of copyright owners under section 106 [of the Copyright Act]—namely, the exclusive rights to authorize re-

production, distribution, and display of original works, and to authorize preparation of derivative works.” App., *infra*, 16a (O’Scannlain, J., dissenting).

The court’s policy arguments were misguided, Judge O’Scannlain further explained, because providing “greater protection against the unauthorized use of copyrighted material than is afforded under the Copyright Act” is “inconsistent with the objectives of Congress.” App., *infra*, 21a (O’Scannlain, J., dissenting). The “only difference” between Montz’s claim and a copyright claim is that the former “would protect [his] rights more broadly because California implied contract law does not require as strict a showing of substantial similarity as federal copyright law,” but “the ‘fact that the state-created right is . . . broader . . . than its federal counterpart will not save it from pre-emption.’” *Id.* at 21a-22a (quoting 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 1.01[B][1], at 1-11-12) (omissions in original).

Judge Gould separately dissented to emphasize the “improvident practical results that the majority decision will likely engender.” App., *infra*, 23a (Gould, J., dissenting). “[C]ourts should be cautious about implying a contract claim,” he warned, “in circumstances where the claim functionally looks like a copyright claim.” *Id.* at 23a-24a. By “permitting a supplemental state law jurisdiction that in substance expands federal copyright law,” the court has forced “film production and network companies [to] face the chaotic prospect of having to meet conflicting federal and state standards on essentially the same question, a result the Copyright Act aimed to avoid.” *Id.* at 24a.

REASONS FOR GRANTING THE PETITION

The Ninth Circuit held that Montz's claims for breach of an implied contract and breach of confidence did not invoke rights "equivalent to any of the exclusive rights within the general scope of copyright," 17 U.S.C. § 301(a), because each requires an additional element: an "implied agreement of payment for use of [his] concept," App., *infra*, 10a, and an implied "duty of trust or confidential relationship," *id.* at 13a, respectively. This decision is incorrect as a matter of statutory interpretation and further deepens a longstanding circuit split on the scope of copyright preemption. In stark disagreement with the Ninth Circuit below, the Second and Fourth Circuits have adopted a strict view of equivalence, under which state-law claims virtually identical to Montz's have been held to be "equivalent" to copyright claims and therefore preempted. This Court's review is warranted to clarify the proper scope of copyright preemption and resolve the disagreement on that issue among the courts of appeals.

I. THE NINTH CIRCUIT INCORRECTLY INTERPRETED THE SCOPE OF COPYRIGHT PREEMPTION.

The Copyright Act of 1976 expressly preempts state-law claims where the plaintiff's work "come[s] within the subject matter of copyright," and the state law grants "legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright." 17 U.S.C. § 301(a). The Ninth Circuit correctly concluded that Montz's claims satisfy the "subject matter" requirement. It erred, however, in holding that they do not satisfy the "general scope" requirement.

A. The “subject matter of copyright” is “specified by sections 102 and 103” of the Copyright Act. 17 U.S.C. § 301(a). Under Section 102(a), “[c]opyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression,” including “dramatic works,” such as Montz’s treatments, and “audiovisual works,” such as the videos produced for his pitches, *id.* § 102(a)(3), (6).

“Copyrightable material often contains uncopyrightable elements within it,” *NBA v. Motorola, Inc.*, 105 F.3d 841, 849 (2d Cir. 1997), and this case is no exception: Section 102(b) provides that “[i]n no case does copyright protection for an original work of authorship extend to any idea,” “regardless of the form in which it is described, explained, illustrated, or embodied in such work.” 17 U.S.C. § 102(b). Accordingly, Montz is not entitled to copyright protection for any ideas embodied in the treatments, videos, and other materials he presented during the pitches.

The fact that such ideas cannot be copyrighted does not, of course, suggest that states are free to protect them without fear of preemption. As the Fourth Circuit has emphasized, “scope and protection are not synonyms.” *United States ex rel. Berge v. Bd. of Trs. of Univ. of Ala.*, 104 F.3d 1453, 1463 (4th Cir. 1997). “[T]he shadow actually cast by the [Copyright] Act’s preemption is notably broader than the wing of its protection.” *Ibid.* For this reason, Section 301 preempts state-law “claims with respect to uncopyrightable as well as copyrightable elements.” *NBA*, 105 F.3d at 849; *see also, e.g., Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446, 455 (6th Cir. 2001) (collecting citations). Montz’s “ideas and concepts” were “fixed in a tangible medium,” and therefore any claims based on those ideas satisfy the sub-

ject matter requirement “despite the exclusion of fixed ideas from the scope of actual federal copyright protection.” App., *infra*, 9a.

B. Because Montz’s work falls within the subject matter of copyright, his claim for breach of implied contract is preempted if that claim seeks to enforce rights “equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106” of the Copyright Act. 17 U.S.C. § 301(a). Section 106 protects the rights of “reproduction, performance, distribution [and] display.” *Computer Assocs. Int’l, Inc. v. Altai, Inc.*, 982 F.2d 693, 716 (2d Cir. 1992) (quoting 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 1.01[B][1], at 1-14); *see also* 17 U.S.C. § 106(1), (3)-(6). It also protects the “right of adaptation—*i.e.*, the right to prepare or authorize preparation of a derivative work based on a novel or screenplay.” *Briarpatch Ltd., L.P. v. Phoenix Pictures, Inc.*, 373 F.3d 296, 306 (2d Cir. 2004); *see also* 17 U.S.C. § 106(2) (providing that the “owner of copyright” has the “exclusive righ[t] to do and to authorize” the “prepar[ation] [of] derivative works based upon the copyrighted work”). The issue is whether the state-law implied-contract right invoked by Montz is “equivalent” to these rights. Because, as the district court and the panel correctly concluded, Montz’s claim for breach of confidence “simply echoes” his implied-contract claim, App., *infra*, 33a-34a, 46a-48a, both claims stand or fall on this inquiry.

1. To determine whether a state-law right is equivalent to copyright, “most circuits . . . have referred to the ‘extra element’ test.” *Ritchie v. Williams*, 395 F.3d 283, 287 n.3 (6th Cir. 2005). Under this approach, announced by Judge Leisure in *Mayer*

v. *Josiah Wedgwood & Sons, Ltd.*, a state-law claim is preempted unless it contains an “extra element” that “changes the nature of the action so that it is *qualitatively* different from a copyright infringement claim.” 601 F. Supp. 1523, 1535 (S.D.N.Y. 1985); *see also, e.g., Briarpatch*, 373 F.3d at 305-06 (same).

Given the “difficulty of applying” the extra element test, it has “received much criticism” on the ground that it “simply states a conclusion.” *Ritchie*, 395 F.3d at 288 n.3 (quoting Marshall A. Leaffer, *Understanding Copyright Law* § 11.7[C] (3d ed. 1999)). Because “[t]here is always some difference between the state law and the Copyright Act,” “a court that wants to avoid preemption can always find some difference, however small, that is the ‘extra element’ needed to avoid preemption.” Schuyler Moore, *Straightening Out Copyright Preemption*, 9 UCLA Ent. L. Rev. 201, 204 (2002), *quoted in Ritchie*, 395 F.3d at 288 n.3.

The critical portion of the extra element test, therefore, is the requirement that the state-law action be “*qualitatively* different from a copyright infringement claim.” *Berge*, 104 F.3d at 1463 (quoting *Rosciszewski v. Arete Assocs., Inc.*, 1 F.3d 225, 229-30 (4th Cir. 1993)). But this simply restates the statutory provision that state-law actions are preempted only if they protect rights “equivalent” to copyright. The extra element test therefore “does not provide any real guidance to the courts.” Moore, *supra*, at 204, *quoted in Ritchie*, 395 F.3d at 288 n.3; *see also, e.g., Data Gen. Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1164 (1st Cir. 1994) (“Not every ‘extra element’ of a state claim will establish a qualitative variance between the rights protected by federal copyright law and those protected by state

law.”). In all cases, courts must still determine whether any extra element in the state-law claim renders that claim “*qualitatively* different” from—and thus not “equivalent” to—a claim for copyright infringement. And that inquiry, in turn, requires a careful examination into “what [the] plaintiff seeks to protect, the theories in which the matter is thought to be protected and the rights sought to be enforced.” *Computer Assocs.*, 982 F.2d at 716 (quoting 1 Roger M. Milgrim, *Milgrim on Trade Secrets* § 2.06A[3], at 2-150 (1992)).

2. The Ninth Circuit’s analysis began and ended with the fact that, under California law, Montz was required to allege a “promise” to pay for his ideas. App., *infra*, 10a-12a. But this analysis simply highlights the danger of the “extra element” approach: The “implied agreement of payment for use of a concept” is, at least formally, an extra element, *id.* at 10a, but it does not render Montz’s claims *qualitatively* different from a copyright infringement claim. Rather, the core of Montz’s allegations is that the defendants copied his ideas and developed derivative works based on his screenplays, videos, and other materials—and the right to prevent them from doing so is protected, if at all, only under the Copyright Act. See, e.g., 17 U.S.C. § 106; see also *supra* at 13.

Montz repeatedly alleges that the implied promise at issue was “not to . . . exploit [his] ideas and concepts” without his “express consent.” App., *infra*, 72a ¶ 48; see also, e.g., *id.* at 60a ¶ 2 (alleged “understanding that the Defendants would not use [Montz’s] work, ideas, and concepts without [his] permission”). As Judge O’Scannlain correctly observed, “Montz asserts that [the defendants] produced and broadcast a television program derived

from Montz’s screenplays, video, and other materials *without authorization*.” App., *infra*, 16a (O’Scannlain, J., dissenting). But “[t]hese rights are equivalent to the rights of copyright owners under section 106—namely, the exclusive rights to authorize reproduction, distribution, and display of original works, and to authorize preparation of derivative works.” *Ibid*. Because the alleged promise “amounts only to a promise to refrain from reproducing, performing, distributing or displaying the work,” Montz’s “contract claim is preempted.” *Wrench*, 256 F.3d at 457; *see also, e.g.*, 1 *Nimmer on Copyright, supra*, § 1.01[B][1][a][iii], at 1-23 (noting that preemption applies to “claims that, though denominated ‘contract,’ nonetheless complain directly about the reproduction of expressive materials” (footnotes omitted)).

The Ninth Circuit, for its part, focused on Montz’s allegation that the defendants impliedly promised not to “disclose, divulge or exploit [his] ideas and concepts without compensation.” App., *infra*, 72a ¶ 46(b). But as the Second Circuit has emphasized, “[t]he enjoyment of benefits from derivative use is so intimately bound up with the right itself that it could not possibly be deemed a separate element.” *Harper & Row, Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 201 (2d Cir. 1983), *rev’d on other grounds*, 471 U.S. 539 (1985). That Montz *conditionally* authorized the use of his work does not change the fact that he is now suing over (alleged) unauthorized use. *See, e.g.*, 5 William F. Patry, *Patry on Copyright* § 18:27, at 18-92 (2008) (“A mere promise not to accept the benefit of a copyrighted work without paying for that benefit is insufficient to avoid preemption.”).

Under the Ninth Circuit’s view, identical allegations of unauthorized copying, plagiarism, and the like can support parallel federal and state claims. Indeed, such state claims are permitted to proceed even when, as here, the federal copyright claim is found to be meritless because the plaintiff is unable to meet the Copyright Act’s “substantial similarity” requirement. *See* Pet. App. 21a-22a (O’Scannlain, J., dissenting); *see also, e.g., Benay v. Warner Bros. Entm’t, Inc.*, 607 F.3d 620, 631 (9th Cir. 2010) (affirming summary judgment against the plaintiff on copyright claims but nonetheless permitting an implied-contract claim to proceed under state law based on “substantially similar elements that are not protected under copyright law” (quoting *Blaustein v. Burton*, 88 Cal. Rptr. 319, 334 (Ct. App. 1970))). To make matters worse, state claims that grant additional, more generous protections against acts of alleged copying and derivative use may go forward based on nothing more than conclusory allegations of industry “custom” or “practice” that supposedly furnish the requisite “additional elements.” *Cf. Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1949-50 (2009). But none of this should make a difference to the preemption inquiry: Whether based on a promise not to use Montz’s ideas without his consent, or merely an agreement not to use those ideas without paying for them, the core of Montz’s claims is the impermissible copying of his material to produce derivative works, and that is equivalent—indeed, identical—to rights guaranteed by the Copyright Act.

C. The Ninth Circuit believed that its interpretation of the general scope requirement was necessary to “give some protection for those who wish to find an outlet for creative concepts and ideas but with the understanding that they are not being given

away for free.” App., *infra*, 12a. This fundamentally misunderstands copyright law.

1. The Ninth Circuit would allow states to create additional protections beyond copyright law whenever they perceived a “gap that would otherwise exist” between state and federal law. App., *infra*, 12a. That would, however, impermissibly permit the rights of authors to “depend on state law that differs from one state to another.” *Barclays Capital Inc. v. Theflyonthewall.com, Inc.*, — F.3d —, No. 10-1372-cv, 2011 WL 2437554, at *17 (2d Cir. June 20, 2011). And it would thus “run directly afoul of one of the [Copyright] Act’s central purposes”—to “avoid the development of any vague borderline areas between State and Federal Protection.” *Harper & Row*, 723 F.2d at 200 (quoting H.R. Rep. No. 94-1476, at 130 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5746); *see also, e.g.*, App., *infra*, 24a (Gould, J., dissenting).

The Copyright Act strikes a careful balance between the “artist’s right to control the work” and the “public’s need for access to creative works.” *Stewart v. Abend*, 495 U.S. 207, 228 (1990). As part of this balance, Congress “permitted copyright suits only where ‘there is substantial similarity between the protected elements’ of the two works.” App., *infra*, 21a (O’Scannlain, J., dissenting) (quoting *Benay*, 607 F.3d at 624). California law “would protect [Montz’s] rights more broadly because California implied contract law does not require as strict a showing of substantial similarity as federal copyright law.” *Ibid.* But states are no longer free to “expand the perimeters of copyright protection to their own liking.” *Harper & Row*, 723 F.2d at 200. In filling the supposed “gap” in copyright law, California has simply

reached a different conclusion regarding the appropriate balance to be drawn—and that it cannot do.

2. The Ninth Circuit’s approval of state-law “gap”-filling measures is particularly problematic because the remedy Montz invokes would extend copyright-like protection to the very aspect of his works—ideas—that Congress expressly *declined* to protect in the Copyright Act.

For more than a century, it has been settled law that “[n]o author may copyright his ideas.” *Harper & Row*, 471 U.S. at 556; see also, e.g., *Baker v. Selden*, 101 U.S. 99 (1879). This is, indeed, “[t]he most fundamental axiom of copyright law.” *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 344 (1991). Even before the Copyright Act of 1976, therefore, only an author’s expression could be copyrighted: The “general rule of law” was “that the noblest of human productions”—including “ideas”—“become, after voluntary communication to others, free as the air to common use.” *Goldstein v. California*, 412 U.S. 546, 570 (1973) (quoting *Int’l News Serv. v. Associated Press*, 248 U.S. 215, 250 (1918) (Brandeis, J., dissenting)) (quotation marks omitted).

The Copyright Act of 1976 retained this long-held distinction between ideas and expression: Section 102 expressly declines to “extend [copyright protection] to any idea,” “regardless of the form in which it is . . . embodied in [a] work.” 17 U.S.C. § 102(b). This provision is a “built-in First Amendment accommodation[n],” *Eldred v. Ashcroft*, 537 U.S. 186, 219 (2003)—the “idea/expression dichotomy ‘strike[s] a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author’s expression,’” *Harper & Row*, 471 U.S. at 556 (quoting

Harper & Row, 723 F.2d at 203) (alteration in original).

The Ninth Circuit was troubled that “valuable creative sources” might not be able to get a “piece of the action” if their ideas were unprotected. App., *infra*, 12a. But, as the Fourth Circuit explained, “what [this reasoning] fails to realize is that, as a general proposition, ideas are simply part of the public domain.” *Berge*, 104 F.3d at 1465. Montz “wants to fence off the commons,” but “the only part [he] may rightly claim is the original expression of [his] ideas fixed in a tangible medium.” *Ibid*.

Once Montz fixed his ideas in a tangible medium, and therefore they fell within the subject matter of copyright, *see supra* at 12-13, he was limited to the considered judgment made by Congress that the expression—and not the idea—is protected. That congressional judgment leaves no room for contrary decisions by the states: Because ideas “have been deliberately exempted from the scope of copyright protection,” states are “preempted from removing such material from the public domain.” *Hoehling v. Universal City Studios*, 618 F.2d 972, 979-80 (2d Cir. 1980). Indeed, even apart from Section 301, attempts to protect ideas under state law would be preempted as inconsistent with the Copyright Act. *See* 17 U.S.C. § 102(b); *see also, e.g., Goldstein*, 412 U.S. at 559 (“a conflict would develop if a State attempted to protect that which Congress intended to be free from restraint”).

Montz cannot bypass the congressional decision not to protect ideas by invoking state-law rights that offer what Congress declined to give him. Rather, “no person is entitled to any such right or equivalent right.” 17 U.S.C. § 301.

II. THE NINTH CIRCUIT'S DECISION FURTHER DEEPENS A CIRCUIT SPLIT ON THE PROPER SCOPE OF COPYRIGHT PREEMPTION.

As commentators have recognized for over a decade, “[c]ourts considering . . . preemption of contract terms have reached different results in different cases.” Mark A. Lemley, *Beyond Preemption: The Law and Policy of Intellectual Property Licensing*, 87 Cal. L. Rev. 111, 143 (1999); *see also, e.g.*, Christina Bohannan, *Copyright Preemption of Contracts*, 67 Md. L. Rev. 616, 616 & n.1 (2008) (noting a “raging” debate lasting “more than ten years”). This disagreement stems in large measure from difficulties applying the extra element test, which has led to results that are “ad hoc” and “inconsistent.” Moore, *supra*, at 204. And it is particularly pronounced in the context of idea-submission cases, where varying “application of [the extra element] test among the various circuits” has “le[ft] producers and idea purveyors uncertain as to the scope of their legal rights.” Aileen Brophy, Note, *Whose Idea Is It Anyway?*, 23 Cardozo Arts & Ent. L.J. 507, 515 (2005). Indeed, there is now a widely acknowledged “split of contract preemption doctrine in idea submission cases” into “two separate—and conflicting—lines of authority.” 4 *Nimmer on Copyright, supra*, § 19D.03[C][2], at 19D-37-38.

The decision below has only added to the “notoriously inconsistent” results in preemption cases. Robert W. Clarida & Robert J. Bernstein, *New York and California Courts Split on Preemption of Idea Claims*, N.Y.L.J., July 15, 2011, at 3. As one recent article noted, “predicting the outcome of a preemption challenge to an idea claim” now “may be as simple as checking the court in which it is pending.”

Ibid. That is hardly a satisfactory way of interpreting a statute that was expressly designed to “creat[e] national, uniform copyright law.” *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 740 (1989). This Court’s review is warranted to bring consistency and uniformity to federal copyright law.

A. The Ninth Circuit held below that a claim for breach of contract is not preempted if it rests on an “implied agreement of payment for use of a concept.” App., *infra*, 10a. In the Second and Fourth Circuits, by contrast, such a claim would be preempted by Section 301.

1. The Second Circuit held in *Harper & Row* that a state-law claim for “tortious interference with contractual relations” is barred by Section 301. 723 F.2d at 201. In that case, *The Nation* had obtained a pre-publication copy of President Ford’s memoirs and published excerpts of them—in the process scooping *Time*, which had separately contracted with Harper & Row for the “exclusive rights to print pre-publication excerpts.” *Id.* at 198. Harper & Row sued *The Nation* for tortious interference with its contract with *Time*. Although that claim—like Montz’s claim here—required proof of a contract (and a concomitant agreement to pay), the Second Circuit nonetheless held that it was preempted: “If there is a qualitative difference between the asserted right and the exclusive right under the [Copyright] Act of preparing derivative works based on the copyrighted work,” the court was “unable to discern it.” *Id.* at 201. “In both cases,” the court noted, “it is the act of unauthorized publication which causes the violation.” *Ibid.* Similarly in this case, Montz’s allegation of “unauthorized” use of his work “causes the viola-

tion” he claims under state law, just as it would in a copyright claim based on the same facts.²

That the Second and Ninth Circuits have staked out contrary positions is further confirmed by *Briarpatch*, which emphasized that the Second Circuit “take[s] a restrictive view of what extra elements transform an otherwise equivalent claim into one that is qualitatively different from a copyright infringement claim.” 373 F.3d at 306; *see also, e.g., NBA*, 105 F.3d at 851 (noting that the “‘extra element’ test should not be applied so as to allow state claims to survive preemption easily”).

In *Briarpatch*, the Second Circuit held that a state-law claim for unjust enrichment was preempted by the Copyright Act even though it included—like Montz’s claim that the defendants impliedly agreed to “pay”—the extra element that the defendant was “enriched.” 373 F.3d at 306. Examining the “fundamental nature” of the plaintiffs’ action, the court found it “clear that the specific right they are trying to enforce is the right of adaptation—*i.e.*, the right to prepare or authorize preparation of a derivative work based on a novel or screenplay.” *Ibid.* (citing 17 U.S.C. § 106(2)). Although the enrichment element is “not required for copyright infringement,” the court concluded, it does not “g[o] far enough to make the unjust enrichment claim qualitatively dif-

² The inconsistency between the Second and Ninth Circuits is further underscored by the Ninth Circuit’s recent conclusion that a claim for tortious interference was *not* preempted by Section 301 because—as the Ninth Circuit held below—“the Copyright Act does not preempt a party’s enforcement of its contractual rights.” *MDY Indus., LLC v. Blizzard Entm’t, Inc.*, 629 F.3d 928, 957 (9th Cir. 2011) (as amended on denial of rehearing).

ferent from a copyright infringement claim”—it “limits the scope of the claim but leaves its fundamental nature unaltered.” *Ibid.*

The Second Circuit’s examination of the claim’s “fundamental nature” would—contrary to the Ninth Circuit’s approach below—look beyond the fact that Montz alleged “the implied agreement of payment for use of a concept.” App., *infra*, 10a. Because such an agreement does not change the “fundamental nature” of the action, *see supra* at 15-17, a claim such as Montz’s would be preempted under the law of the Second Circuit. It is unsurprising, therefore, that courts in the Second Circuit have repeatedly held that the Copyright Act does not permit plaintiffs to proceed under state law for breach of an implied promise of compensation.

Indeed, less than a week after the decision below, the Southern District of New York held a claim for breach of implied contract preempted on facts nearly identical to those alleged here. *See Forest Park Pictures v. Universal Television Network*, 10 Civ. 5168, 2011 WL 1792587, at *2-*3 (S.D.N.Y. May 10, 2011). As in this case, the plaintiffs alleged that they submitted the concept and various materials for a television show to the defendant production company based on the supposed “standard in the entertainment industry” that they “expect[ed] compensation in the event of use.” *Id.* at *1 (quoting Compl. ¶ 9). Although the production company rejected their idea, the plaintiffs claimed that it “misappropriated [the] idea in producing its own television series.” *Id.* at *2. The plaintiffs asserted a state-law cause of action for breach of implied contract, claiming that “their ideas . . . were used by [the defendant] without compensation.” *Id.* at *3.

Recognizing that Ninth Circuit precedent was more favorable to their position than the law of the Second Circuit, the plaintiffs attempted to persuade the district court that “California law applies to the preemption analysis.” *Forest Park*, 2011 WL 1792587, at *2. Because preemption is a federal question, however, the court “applie[d] the law of the circuit in which it sits—here, the Second Circuit.” *Ibid.* And under Second Circuit precedent, the court held, the plaintiffs’ “breach-of-implied contract claim based on [the] alleged right to be compensated for the use of [their] idea for a television series is equivalent to the exclusive rights protected by the copyright law.” *Id.* at *3.

Similarly, in *Muller v. Twentieth Century Fox Film Corp.*, Judge Chin of the Second Circuit, sitting by designation, concluded that a “state law right to receive credit and compensation,” under an implied contract, “for the alleged unauthorized use of [the plaintiffs] Screenplay” was “equivalent to the exclusive rights protected by federal copyright law.” 08 Civ. 2550, 2011 WL 1330632, at *16 (S.D.N.Y. Mar. 30, 2011); *see also, e.g., Smith v. New Line Cinema*, 03 Civ. 5274, 2004 WL 2049232, at *5 (S.D.N.Y. Sept. 13, 2004) (same).

As these cases make clear, Montz’s claim would have been dismissed as preempted if he had filed suit in New York. Section 301 should not be interpreted differently because he instead chose California.

2. Montz’s implied contract claim would also have been preempted in the Fourth Circuit.

In *Berge*, the Fourth Circuit held that a state-law claim for conversion of property was preempted by the Copyright Act. 104 F.3d at 1462-65. The plaintiff, a former doctoral candidate, had alleged that

four professors at the University of Alabama at Birmingham had plagiarized her doctoral dissertation, and that this alleged plagiarism constituted conversion under Alabama law. *Id.* at 1456.

Alabama law indisputably required an “extra element” absent in claims of copyright infringement: the “unlawful deprivation of or interference with [the] possession” of property. 104 F.3d at 1462-63 (citing Ala. Code § 6-5-260). Nevertheless, the Fourth Circuit explained, “where the core of the state law theory of recovery” is “wrongful copying,” “it is preempted.” *Id.* at 1464. Focusing on the “core” of the plaintiff’s allegations, the Fourth Circuit held that her conversion claim was “clearly preempted.” *Id.* at 1463. The plaintiff “ma[de] no claim that [the defendants] converted any tangible objects,” but rather her “charge of plagiarism and lack of attribution [could] only amount to, indeed, [was] tantamount to, a claim of copyright infringement.” *Id.* at 1464.

The Fourth Circuit’s reasoning in *Berge* stands in stark contrast to the Ninth Circuit’s mechanical conclusion that Montz’s claim survives preemption because he alleged “[t]he extra element” of an “implied agreement of payment for use of a concept.” App., *infra*, 10a. In the Fourth Circuit, unlike the Ninth, “[a] breach of contract claim will survive preemption only when the cause of action is based upon provisions of the contract outside the subject matter of copyright.” *Nichols Agency, Inc. v. Enchanted Child Care, Inc.*, 537 F. Supp. 2d 774, 783 (D. Md. 2008). It is hardly surprising, therefore, that “there are many instances in which courts” in the Fourth Circuit “have concluded that a state law action for breach of contract was so preempted.” *Id.* at 783 n.6; *see also*, e.g., *Madison River Mgmt. Co. v. Bus. Mgmt. Soft-*

ware Corp., 351 F. Supp. 2d 436, 444 (M.D.N.C. 2005) (concluding that “implied promises to pay do not constitute an extra element”).

The District of Maryland’s decision in *Fischer v. Viacom International, Inc.*, 115 F. Supp. 2d 535 (D. Md. 2000), is illustrative. In that case, as here, the plaintiff alleged that the defendant television producers had “breach[ed] an implied-in-fact contract arising from his submissions” of ideas and written proposals for a program. *Id.* at 541. As the district court recognized, “the question is whether [the plaintiff’s] claim for breach of such a contract contains an ‘extra element’ that makes th[e] claim qualitatively different from a copyright infringement action.” *Ibid.*

Although the plaintiff insisted that his claim “involve[d] the extra element of a promise between the parties,” 115 F. Supp. 2d at 541, the court rejected this categorical approach: If the alleged contractual right “arises simply from an implied promise not to use another’s ideas without paying for them,” the court explained, “then the state law action is qualitatively equivalent to an action for copyright infringement and, therefore, will be preempted.” *Id.* at 542. Because “the implied contract” invoked by the plaintiff was “no more than an agreement not to use his ideas without permission or payment,” the alleged “implied contract” was “equivalent to the exclusive rights protected by the Copyright Act,” and thus preempted. *Ibid.*

B. The Sixth Circuit has partially agreed with the Ninth Circuit’s holding that claims for breach of an implied contract to pay for use of an idea are not preempted by Section 301, but it has made clear that it would not go so far as the Ninth Circuit did here.

In *Wrench*, the plaintiffs alleged an implied contract that supposedly arose based on the defendant's "underst[anding] that if [it] used the [plaintiffs' advertising] concept, it would have to pay." 256 F.3d at 450. According to the Sixth Circuit, "[t]he gist of [this] state law implied-in-fact contract claim is breach of an actual promise to pay for [the plaintiffs'] creative work." *Id.* at 456.

"The extra element," according to the Sixth Circuit, "is the promise to pay." *Wrench*, 256 F.3d at 456; see also *Murray Hill Publ'ns, Inc. v. ABC Commc'ns, Inc.*, 264 F.3d 622, 637-38 (6th Cir. 2001) (same). "It is not the use of the work alone but the failure to pay for it that violates the contract and gives rise to the right to recover damages." *Wrench*, 256 F.3d at 456. Because "the right to be paid for the use of the work is not one of th[e] rights" protected by copyright law, the Sixth Circuit held that the state-law claim could proceed. *Ibid.*

At the same time, the Sixth Circuit expressly declined to "embrace the proposition that all state law contract claims survive preemption simply because they involve the additional element of promise." *Wrench*, 256 F.3d at 457. Rather, "[i]f the promise amounts only to a promise to refrain from reproducing, performing, distributing or displaying the work, then the contract claim is preempted." *Ibid.* Because Montz alleges that the defendants promised not to use his ideas without authorization, see *supra* at 15-16, it therefore appears that his claim would have been preempted even in the Sixth Circuit.

C. The conflict at issue in this case is part of a broader disagreement among the courts of appeals over preemption of contract claims. See *Canal+ Image UK Ltd. v. Lutvak*, 10 Civ. 1536, 2011 WL

1158439, at *21 n.5 (S.D.N.Y. Mar. 29, 2011) (noting that the courts of appeals have “divided on this issue”). Following the Seventh Circuit’s lead in *ProCD, Inc. v. Zeidenberg*, several circuits have held that express contracts are not preempted because “[a] copyright is a right against the world,” whereas “[c]ontracts . . . generally affect only their parties.” 86 F.3d 1447, 1454 (7th Cir. 1996); *see also Bowers v. Baystate Techs., Inc.*, 320 F.3d 1317, 1324-25 (Fed. Cir. 2003); *Lipscher v. LRP Publ’ns, Inc.*, 266 F.3d 1305, 1318 (11th Cir. 2001). This purely formal approach highlights the analytical weaknesses of applying the additional element “test” by rote. Presumably for that reason, even the Seventh Circuit felt compelled to disclaim having “adopt[ed] a rule that anything with the label ‘contract’ is necessarily outside the preemption clause.” *ProCD*, 86 F.3d at 1455.

ProCD has been the subject of persistent criticism because its “policy analysis may be more persuasive than its treatment of [Section] 301 of the Copyright Act.” Jane C. Ginsburg, *Copyright, Common Law, and Sui Generis Protection of Databases in the United States and Abroad*, 66 U. Cin. L. Rev. 151, 167 (1997) (criticizing the Seventh Circuit’s “equivalence of rights analysis”); *see also, e.g., 1 Nimmer on Copyright, supra*, § 3.04[B][3][a], at 3-34.8(2) (criticizing *ProCD* for rejecting preemption on the “most extreme, and hence the easiest, set of facts”). And numerous other opinions, such as the Sixth Circuit’s decision in *Wrench*, recognize that preemption is warranted where “causes of action . . . denominated” as contract claims nonetheless “allege nothing other than derogation of rights under copyright.” 1 *Nimmer on Copyright, supra*, § 1.01[B][1][a][i], at 1-17; *see also supra* at 28. The Seventh Circuit’s inconclu-

sive analysis, however, tellingly illustrates yet another facet of the cacophony of rules with which several circuits have defeated Congress's command of uniformity.

III. THE QUESTION PRESENTED IS EXTREMELY IMPORTANT TO MAINTAINING NATIONAL UNIFORMITY IN COPYRIGHT LAW.

The “value of providing for legal uniformity where Congress has acted nationally” is “central to the principle of preemption.” *Barclays Capital*, 2011 WL 2437554, at *17. The lower courts, however, have been unable to maintain uniformity even about when they should maintain uniformity. This Court has not previously addressed the proper interpretation of Section 301, and its guidance is now urgently needed to ensure that the Copyright Act is applied consistently across the country.

A. The need for uniformity is particularly acute in the entertainment industry. As the Motion Picture Association of America explained in its *amicus* brief below, movie producers receive a “multitude of script submissions” annually, and “[e]ach script inevitably contains countless ideas.” MPAA C.A. Br. 20. By permitting plaintiffs to invoke copyright-like protection under state-law theories that diverge from federal law, decisions like the Ninth Circuit’s subject these producers to potential suits based only on the “frequent and inevitable” coincidence that a movie “differ[ing] completely in expression from an earlier submitted script” might nonetheless “shar[e] one or more similar unprotectable ideas.” *Ibid.* “Under such a legal regime,” Judge Gould noted, “film production and network companies face the chaotic prospect of having to meet conflicting federal and state standards on essentially the same question, a result

the Copyright Act aimed to avoid.” App., *infra*, 24a (Gould, J., dissenting).

Moreover, the sole basis for finding preemption inapplicable in this case—the alleged “promise”—was implied based not on any actions by the defendants but instead on what Montz claims to be the “industry practice.” App., *infra*, 6a. Any plaintiff could make a similar allegation after having submitted a script, and thus the Ninth Circuit’s decision opens up studios, producers, and others to potential liability under state law simply because they opened their mail. See, e.g., 5 Patry, *supra*, § 18:28, at 18-94-95 (noting the “imprecise, flimsy, and frequently fabricated bases for the existence of implied contracts” (footnote omitted)). That is particularly true in states like California, in which an idea “need not be novel or concrete” to support a lawsuit. *Minniear v. Tors*, 72 Cal. Rptr. 287, 293 (Ct. App. 1968); see also, e.g., *Lehman v. Dow Jones & Co.*, 783 F.2d 285, 300 (2d Cir. 1986) (distinguishing New York and California law).

In this respect, the Ninth Circuit’s decision below has the potential to frustrate the public interest in obtaining fresh ideas and scripts from previously unknown writers. Even before that decision, producers were “already extremely wary about accepting unsolicited idea submissions, leaving only the slightest crack in the door for an aspiring unknown writer to get through.” Brophy, *supra*, at 527. But to avoid potential liability, producers are now forced to “pull the door shut entirely, leaving unknown writers with even less bargaining power than they had before.” *Ibid.* (footnote omitted). Because of “fear that [they] could unintentionally enter into an implied contract with the screenwriter,” studios have “limit[ed]” their

“willingness . . . to consider unsolicited ideas or pitches.” Shannon M. Awsumb, “*Idea Theft*” *Claims Post-Grosso: Did Grosso Really Change Anything?*, Ent. & Sports L., Fall 2006, at 1, 14.

“Studio and network ventures,” no less than other individuals and businesses whose livelihood depends on copyrights, “need stable law that does not unsettle expectations.” App., *infra*, 24a (Gould, J., dissenting). Because the Ninth Circuit’s decision “mak[es] state law—with its ambiguity, variability, and volatility—available to litigants who bring nebulous state law claims that in substance assert rights in the nature of copyright,” *ibid.*, this Court’s review is warranted.

B. The Court’s review is particularly justified because, if the Ninth Circuit’s ruling were permitted to stand, this case could well be the last in the federal courts to address the continued viability of *Desny* claims. By providing for complete preemption in the Copyright Act, however, Congress made clear that the scope of federal copyright preemption should be determined by federal rather than state courts.

The Copyright Act of 1976 is one of a small handful of statutes where the imperative need for uniformity led Congress not merely to preempt state law but to do so *completely*: Even where a complaint asserts only state-law causes of action, complete preemption—the “strong form of national uniformity” embodied in the Copyright Act, *Ritchie*, 395 F.3d at 286—serves to “recharacterize a state law claim” as an “action arising under federal law” and “converts an ordinary state common law complaint into one stating a federal claim for purposes of the well-pleaded complaint rule.” *Met. Life Ins. Co. v. Taylor*, 481 U.S. 58, 64-65 (1987). Each of the courts of ap-

peals to address the issue—the First, Second, Fourth, and Sixth Circuits—has agreed. See *Stuart Weitzman, LLC v. Microcomputer Res., Inc.*, 542 F.3d 859, 864 (11th Cir. 2008) (collecting citations).

This Court has applied the complete preemption doctrine in three contexts: the Labor Management Relations Act, the Employee Retirement Income Security Act, and the National Bank Act. In each of these contexts, the Court has recognized that the “particular label” affixed to a claim, such as “contract” or “tort,” is not controlling. *Aetna Health Inc. v. Davila*, 542 U.S. 200, 214 (2004). That is so because “distinguishing between pre-empted and non-pre-empted claims based on the particular label affixed to them would ‘elevate form over substance and allow parties to evade’ the pre-emptive scope” of federal law simply “by relabeling” their claims as “contract” or “tor[t].” *Ibid.* (quoting *Allis-Chalmers Corp. v. Lueck*, 471 U.S. 202, 211 (1985)). Far from the formalistic approach adopted below, this Court has consistently looked through the allegations in the complaint to determine whether the claim at issue, “even if pleaded in terms of state law, is in reality based on federal law.” *Beneficial Nat’l Bank v. Anderson*, 539 U.S. 1, 8 (2003).

The Ninth Circuit’s decision is an invitation for state courts to chart a different path. Relying on that decision, plaintiffs have already begun to plead around copyright preemption in state court by characterizing essentially federal claims as asserting only state-law claims for breach of an implied contract—and they will continue to do so. Because the Ninth Circuit has now held that those claims are not preempted, the defendant will likely be unable to remove the case to federal court on the basis of com-

plete preemption—or, if it does so, the case would likely be remanded in a decision that could not be appealed, *see* 28 U.S.C. § 1447(d).

The decision below has the likely effect of denying a federal forum to address claims of copyright preemption whenever the plaintiff asserts only implied contract claims, as all well-advised plaintiffs will now do. “[I]f the language of the [Copyright] [A]ct” can be so “easily circumvented,” however, then the preemption provision is “useless,” and “the policies behind a uniform Copyright statute [are] silenced.” *Daboub v. Gibbons*, 42 F.3d 285, 290 (5th Cir. 1995). This Court should grant review to bring the Ninth Circuit’s decision into line with the text of Section 301 and longstanding precedent on complete preemption.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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