



Marginalia
International

Contract and Idea Submission

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Contract and idea submission

- In general, you can't "own" an idea
 - But the lack of protectability of ideas likely has strong economic consequences
- Trade secret can protect an idea
 - But how do you exploit it without disclosing it?
- Corporation law can protect an idea
 - A firm can be in a position to both generate and exploit ideas.
 - But what about good ideas from independent innovators?

Contract and idea submission

- Contract law can protect an idea
 - You can always agree to pay for an idea.
 - But would-be buyers often dislike such bargains: they open up potential liability. And for what advantage?
- In the real world, firms often want to buy the person along with the idea
 - A firm may well want to buy the expertise, credibility, and passion of the person—bound up with the idea.
 - Consider: a book, an app, a new line of business.

Contract and idea submission

- Two states have important state law for pitch scenarios, each springing from and largely tied to a particular industry
 - New York, for the toy industry
 - NY courts give credence to ideas as "property."
 - California, for film/TV industry
 - Breach of confidence and breach of confidential relationship are tort causes of action usable for pitched ideas
 - Implied contract theories have sometimes been used successfully as well.
- Question: What effect do these causes of action have on outsiders' access to established players and financiers who can actualize ideas?