Abstract
Jurisdiction of a U.S. district court over the inventorship of a PCT application.

DAVID A. KOSOWER, Plaintiff, - against - HOWARD GUTOWITZ, EATONI ERGONOMICS, INC. and EATONI ERGONOMICS, LLC, Defendants.

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

November 18, 2001, Decided
November 21, 2001, Filed

COUNSEL: For DAVID A. KOSOWER, plaintiff: Alan B. Howard, Virginia R. Richard, Winston & Strawn, New York, NY.

HOWARD GUTOWITZ, defendant, Pro se, New York, NY.

For EATONI ERGONOMICS, INC., EATONI ERGONOMICS, LLC, defendants: David J. DeToffol, New York, NY.

JUDGES: John G. Koeltl, United States District Judge.

OPINIONBY: John G. Koeltl

OPINION: OPINION AND ORDER

JOHN G. KOELTL, District Judge:

The plaintiff, David A. Kosower ("Kosower"), is a scientist who alleges that he entered a partnership agreement with defendant Howard Gutowitz ("Gutowitz") to develop and market a reduced-size keyboard for use in connection with portable computing devices. Kosower's Complaint alleges six claims. Kosower asserts a breach of contract claim alleging that Gutowitz violated the terms of the partnership agreement by excluding him from the partnership and failing to give him shares in Eatoni Ergonomics, Inc., a Delaware corporation with a principal place of business in New York that was formed as a result of the alleged partnership (Count I). Kosower also seeks a declaration that he is a joint inventor on certain technologies for which Gutowitz has filed or may file patent applications (Count II). In addition, Kosower asserts copyright infringement

(Count III), trade secret misappropriation (Count IV), unjust enrichment (Count V), and quantum meruit (Count VI) claims against the defendants in the alternative, in the event that the Court finds that there was no partnership agreement.

The defendants have moved to dismiss the Complaint pursuant to Fed. R. Civ. P. 12(b)(6) for failure to state a claim upon which relief can be granted. The motion is granted in part and denied in part.

I.

A.

On a motion to dismiss, the allegations in the complaint are accepted as true. See Grandon v. Merrill Lynch & Co., 147 F.3d 184, 188 (2d Cir. 1998). In deciding a motion to dismiss, all reasonable inferences must be drawn in the plaintiff's favor. See Gant v. Wallingford Bd. of Educ., 69 F.3d 669, 673 (2d Cir. 1995); Cosmas v. Hassett, 886 F.2d 8, 11 (2d Cir. 1989). The court's function on a motion to dismiss is "not to weigh the evidence that might be presented at trial but merely to determine whether the complaint itself is legally sufficient." Goldman v. Belden, 754 F.2d 1059, 1067 (2d Cir. 1985). Therefore, the defendants' present motion should only be granted if it appears that the plaintiff can prove no set of facts in support of his claim that would entitle him to relief. See Conley v. Gibson, 355 U.S. 41, 45-46, 2 L. Ed. 2d 80, 78 S. Ct. 99 (1957); Grandon, 147 F.3d at 188; see also Goldman, 754 F.2d at 1065.

In deciding the motion, the court may consider documents referenced in the complaint and documents that are in the plaintiff's possession or that the plaintiff knew of and relied on in bringing suit. See Brass v. American Film Technologies, Inc., 987 F.2d 142, 150 (2d Cir. 1993); Cortec Indus., Inc. v. Sum Holding L.P., 949 F.2d 42, 47-48 (2d Cir. 1991); I. Meyer Pincus & Assoc., P.C. v. Oppenheimer & Co., Inc., 936 F.2d 759, 762 (2d Cir. 1991); Skeete v. IVF America, Inc., 972 F. Supp. 206, 208 (S.D.N.Y. 1997).

B.

The Court accepts the following factual allegations solely for the purposes of this motion to dismiss. The plaintiff, a United States citizen, is a physicist and scientist who was most recently a staff scientist at the Commissariat a L'Energie Atomique in Saclay, France. (Compl. PP 1, 9.) The plaintiff has significant experience in computers and computer programming. (Compl. P 10.) Gutowitz is the president, chief executive officer, and majority shareholder of Eatoni

Ergonomics, Inc. and was most recently affiliated with the Ecole Super Leave de Physique et Chimie Industrielles in Paris, France. (Compl. P 11.)

The plaintiff and Gutowitz met as social acquaintances. (Compl. P 12.) In the Spring of 1998, the plaintiff, Gutowitz, and a computer programmer named Eugene Skepner ("Skepner") allegedly formed a partnership through an oral agreement (the "Eatoni partnership"). (Compl. PP 12, 14.) The purpose of the Eatoni partnership was to research, design, develop and market a reduced-size keyboard system for use in connection with portable computing devices such as cellular telephones and personal digital assistants (the "Eatoni project"). (Compl. P 12.) Gutowitz allegedly asked the plaintiff to join the Eatoni partnership because the plaintiff had technical, mathematical, and computer skills needed to complete the Eatoni project. (Compl. P 13.).

The plaintiff was to contribute capital to the Eatoni partnership in the form of research and development services and certain intellectual property assets. (Compl. P 15.) The plaintiff was to receive a partnership interest in an amount reasonably based on the quantity and quality of the services and assets he contributed to the partnership. (Compl. P 15.) While other contributors to the Eatoni project, including Skepner, have received compensation, the plaintiff was never compensated for his work on the Eatoni project. (Compl. P 15.) The plaintiff also has not been reimbursed for certain business expenses. (Compl. P 18.)

Between the Spring of 1998 and September 1999, the plaintiff devoted more than 1,000 hours to the Eatoni project. (Compl. P 17.) The Eatoni project sought to find a way to enter text into a device through a small keyboard with only a handful of keys. (Compl. P 19.) The Eatoni project used "optimal codes" where certain letters are entered unambiguously by using a shift key and the remaining letters are entered ambiguously and mapped through a software engine onto unique words or short lists of words. (Compl. P 20.) The plaintiff's work focused primarily on selecting optimal codes and designing the software engine with a corresponding database of word frequencies. (Compl. P 21.)

As Gutowitz and others acknowledged, the plaintiff made a number of critical technical contributions without which the Eatoni project would not have succeeded. (Compl. P 22.) Theplaintiff also made significant business contributions to the Eatoni project. (Compl. P 24.) The plaintiff alleges that the defendants are marketing a reduced-sized keyboard system under the name "WordWise," which incorporates the plaintiff's technical contributions to the Eatoni project. (Compl. P 23.)

In an electronic mail message dated January 21, 1999, Gutowitz referred to the plaintiff as a "founder" of the Eatoni partnership. (Compl. P 25 (alterations in original).) In an electronic mail message dated April 14, 1999, Gutowitz referred to his relationship with the plaintiff as a "Siskel and Ebert" relationship. (Compl. P 25.) The plaintiff entered into contracts on behalf of the Eatoni partnership with the knowledge of Gutowitz, including non-disclosure agreements with potential agents for the Eatoni partnership. (Compl. P 26.) The plaintiff and Gutowitz attended meetings with various persons during which Gutowitz represented that he and the plaintiff were partners. (Compl. P 27.) The plaintiff was involved with the management of the Eatoni partnership and involved in major management decisions, including the recruiting and hiring of employees. (Compl. P 28.) In an electronic mail message dated September 14, 1999, Eatoni consultant Scott Murphy advised Gutowitz that: "Notwithstanding the angst that has clearly intensified between David and yourself, it is in no ones best interest to initiate new partnership agreement terms that will make it more difficult to acquire [OEM] licensing terms." (Compl. P 29 (emphasis and alterations in original).)

In November 1998, the Eatoni partners discussed forming a separate company to market and sell the reduced-sized keyboard system they were developing. (Compl. P 30.) The partners discussed distributing shares in the company to the partners in direct proportion to the hours of service and value of ideas contributed by each of them to the Eatoni partnership. (Compl. P 30.) While there was no determination concerning the appropriate distribution of shares, there was an understanding that shares would be distributed. (Compl. P 30.) In reliance on the understanding that his work would be rewarded with equity, the plaintiff increased his level of work on the Eatoni project. (Compl. P 30.)

In an electronic mail message dated April 27, 1999, Gutowitz reaffirmed the understanding that equity would be distributed and indicated his belief that the plaintiff and Skepner were each entitled to a 1% equity interest in the company and additional compensation for their time spent working on the Eatoni project at a rate of 40 shares per billable hour, up to 5% total equity in the company. (Compl. P 31.) The plaintiff and Skepner would also be awarded an additional 0.5% equity for "extraordinary service." (Compl. P 31.) The plaintiff responded that Gutowitz' proposed valuation of the plaintiff's contribution to the Eatoni partnership was grossly inadequate. (Compl. P 31.) The parties continued discussions to determine an appropriate distribution and the plaintiff continued working on the Eatoni project, but Gutowiz continued to propose what the plaintiff characterizes as "insultingly low percentages of shares." (Compl. P 32.) In an electronic mail message dated August 4, 1999, Gutowitz stated that he believed that the plaintiff was entitled to a 1.88% "sweat equity" interest in the company. (Compl. P 33.)

Following August 1999, the relationship between Gutowitz and the plaintiff soured. (Compl. P 34.) The plaintiff stopped working on the Eatoni project. (Compl. P 34.)

On December 10, 1998, Gutowitz filed United States Provisional Patent Application Serial No. 60/111,665 with the United States Patent and Trademark Office (the "USPTO") as a sole inventor. (Compl. P 35.) The plaintiff alleges that the provisional application was co-authored by the plaintiff and related to the Eatoni project. (Compl. P 35.) The provisional application is now abandoned pursuant to 35 U.S.C. § 111(b)(5). (Compl. P 35.)

On December 9, 1999, Gutowitz filed as a sole inventor, pursuant to the Patent Cooperation Treaty ("PCT"), International Application No. PCT/US99/29343 for "Touch-Typable Devices Based on Ambiguous Codes and Methods to Design Such Devices," claiming priority on the provisional application. (Compl. P 36.) The PCT application designates seventy-nine (79) countries and regional patent offices, including the United States. (Compl. P 36.) The plaintiff alleges that he should have been named as a joint inventor on this patent application and others that Gutowitz may have filed. (Compl. PP 37, 39.)

On September 27, 1999, after terminating his relationship with the plaintiff, Gutowitz formed a Delaware limited liability company under the name Eatoni Ergonomics, LLC to market and sell the reduced-size keyboard system developed by the Eatoni partnership. (Compl. P 41.) The plaintiff was not given any shares in Eatoni Ergonomics, LLC. (Compl. P 41.)

On February 16, 2000, Gutowitz formed a Delaware corporation under the name Eatoni Ergonomics, Inc. ("Eatoni Inc.") (Compl. P 42.) Eatoni Ergonomics, Inc. is the entity that is primarily marketing and selling the reduced-size keyboard developed by the Eatoni partnership. (Compl. P 43.) Eatoni Ergonomics, Inc. is currently valued in excess of $ 10 million, and Gutowitz owns a majority interest in the company. (Compl. P 44.)

The plaintiff asserts six causes of action. Count I alleges a breach of contract claim under New York law against Gutowitz. It alleges that the plaintiff entered a valid partnership agreement with Gutowitz and Skepner. The plaintiff claims that Gutowitz materially breached the Eatoni partnership agreement by (a) excluding the plaintiff from the Eatoni partnership and (b) failing to provide the plaintiff with shares in Eatoni Ergonomics, Inc. reflecting his contribution to the Eatoni partnership. He seeks an accounting of the profits realized by the Eatoni partnership and damages.

In Count II, the plaintiff seeks a declaration that he is a joint inventor with respect to any patent applications filed by Gutowitz where the plaintiff is a joint inventor within the meaning of 35 U.S.C. § 116. The plaintiff also seeks an order requiring the defendants to amend any pending patent applications to name the plaintiff as a joint inventor.

Counts III through VI are asserted in the event that the Court finds that the plaintiff and Gutowitz are not partners. In Count III, the plaintiff brings a copyright infringement claim against the defendants for infringing the plaintiff's copyright in the Foreign Word Frequency Database. Counts IV to VI allege claims of trade secret misappropriation, unjust enrichment, and quantum meruit[1].

II.

The defendants first argue that the plaintiff's breach of contract claim under New York law must be dismissed because there was no partnership agreement between the plaintiff and Gutowitz. They argue that any alleged partnership agreement was too indefinite with respect to its material terms, and that there could be no partnership because the plaintiff did not agree to share in the losses of the partnership.

Under New York law, the factors to be considered in determining whether parties have agreed to form a partnership are: "(1) sharing of profits, (2) sharing of losses, (3) ownership of partnership assets, (4) joint management andcontrol, (5) joint liability to creditors, (6) intention of the parties, (7) compensation, (8) contribution of capital, and (9) loans to the organization." Brodsky v. Stadlen, 138 A.D.2d 662, 526 N.Y.S.2d 478, 479 (App. Div. 1988) (citation omitted); see also Herman v. Blockbuster Entm't Group, 18 F. Supp. 2d 304, 314 (S.D.N.Y. 1998), aff'd 182 F.3d 899 (2d Cir. 1999), cert. denied 528 U.S. 1020 (1999). A partnership can be formed through an oral agreement. See Jabara v. Songs of Manhattan Island Music Co. (S.D.N.Y. Feb. 24, 1989); Prince v. O'Brien, 234 A.D.2d 12, 650 N.Y.S.2d 157, 158 (App. Div. 1996); Missan v. Schoenfeld, 95 A.D.2d 198, 465 N.Y.S.2d 706, 712 (App. Div. 1983). The existence of a partnership can be inferred through circumstantial evidence. See Sacco v. Iselin, (S.D.N.Y. Dec. 19, 1986); Prince, 650 N.Y.S.2d at 158; Cohen v. Biernoff, 84 A.D.2d 802, 444 N.Y.S.2d 152, 153 (App. Div. 1981).

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[1] The plaintiff asserts that the breach of contract, trade secret misappropriation, unjust enrichment, and quantum meruit claims are governed by New York law. The defendants do not dispute that New York law governs. Therefore, the Court will apply New York law to these claims. See Am. Fuel Corp. v. Utah Energy Dev. Co., Inc., 122 F.3d 130, 134 (2d Cir. 1997) ("where the parties have agreed to the application of the forum law, their consent concludes the choice of law inquiry"); John St. Leasehold, LLC v. Capital Mgmt Res., L.P., 154 F. Supp. 2d 527, 544 n.5 (S.D.N.Y. 2001).

The alleged partnership agreement described in the complaint is indefinite with respect to the material term of the amount of profit sharing. A contract must be definite in its material terms in order to be enforceable. "Definiteness as to material matters is of the very essence in contract law. Impenetrable vagueness and uncertainty will not do." Martin Delicatessen, Inc. v. Schumacher, 52 N.Y.2d 105, 417 N.E.2d 541, 543, 436 N.Y.S.2d 247 (N.Y. 1981) (citation omitted); see Spectrum Research Corp. v. Interscience, Inc., 242 A.D.2d 810, 661 N.Y.S.2d 871, 872 (App. Div. 1997). "[A] mere agreement to agree, in which a material term is left for future negotiations, in unenforceable." Martin Delicatessen, 417 N.E.2d at 543 (citations omitted). The definiteness requirement can be satisfied without an explicit contract term if the contract contains a methodology for determining the missing term or refers to an extrinsic standard that makes the agreement's meaning clear. See 166 Mamaroneck Ave. Corp. v. 151 E. Post Rd. Corp., 78 N.Y.2d 88, 575 N.E.2d 104, 105-06, 571 N.Y.S.2d 686 (N.Y. 1991); Cobble Hill Nursing Home, Inc. v. Henry and Warren Corp., 74 N.Y.2d 475, 548 N.E.2d 203, 206, 548 N.Y.S.2d 920 (N.Y. 1989); Martin Delicatessen, 417 N.E.2d at 544.

The plaintiff argues that he and Gutowitz agreed that the plaintiff's interest would be "reasonably based on the quantity and quality of services and assets contributed" by the plaintiff to the partnership. (Compl. P 15.) The language that the partnership interest would be "reasonably" based on the "quantity and quality of services and assets contributed" is too indefinite to enforce. See, e.g., Freedman v. Pearlman, 271 A.D.2d 301, 706 N.Y.S.2d 405, 408 (App. Div. 2000) (terms "fair compensation" and "equitably divide the draw" were too indefinite to be enforced). The plaintiff acknowledges that the parties continued discussions about the appropriate distribution that the plaintiff was entitled to for his work as late as April 1999, a year after the alleged partnership agreed was entered into. (Compl. P 32.) The plaintiff also concedes that in April, 1999 Gutowitz offered him a 1% equity interest in the partnership which could be increased up to 5.5%, but the plaintiff rejected this share as grossly inadequate. It is clear that there was never a meeting of the minds with respect to the plaintiff's share of the partnership profits or how that share could be objectively calculated. The plaintiff has not identified any extrinsic standard or methodology that the parties allegedly agreed to in order to calculate the plaintiff's partnership interest. On its face, the plaintiff's complaint only describes an indefinite agreement to agree with respect to the material terms of the alleged partnership agreement that was never finalized. The plaintiff has not alleged a sufficiently definite contract that would support a breach of contract claim. See, e.g., Alter v. Bogoricin, (S.D.N.Y. Nov. 6, 1997); Jabara.

Additionally, there is no allegation in the complaint that the plaintiff and Gutowitz agreed to share in the losses of the partnership. " It is axiomatic that the essential elements of a partnership must include an agreement between the principals to share losses as well as profits." Chanler v. Roberts, 200 A.D.2d 489, 606 N.Y.S.2d 649, 651 (App. Div. 1994)(citation omitted); accord Jabara. Relying on Ramirez v. Goldberg, 82 A.D.2d 850, 439 N.Y.S.2d 959, 961 (App. Div. 1981), the plaintiff argues that he agreed to share in the losses of the partnership because by working for the partnership he risked losing the value of the services that he contributed to the partnership if the partnership was unsuccessful. But Ramirez also held that a partnership was not formed when one of the alleged partners was not personally liable for the expenses of the partnership. 439 N.Y.S.2d at 961. Ramirez does not obviate the requirement that partners agree to share losses personally for there to be a partnership. See Rivkin v. Coleman, 978 F. Supp. 539, 543 (S.D.N.Y. 1997); Artco, Inc. v. Kidde, Inc., (S.D.N.Y. Dec. 28, 1993)[2]. There is no allegation that the plaintiff ever agreed to this necessary element of a partnership. Finally, the complaint alleges that Gutowitz referred to the plaintiff as a partner and that others referred to their arrangement as a partnership. But "calling an organization a partnership does not make it one." Brodsky, 526 N.Y.S.2d at 480. Therefore, the amended complaint does not state a claim for breach of contract against Gutowitz because it does not plead the elements of a valid partnership agreement between Gutowitz and the plaintiff. Accordingly, the defendants' motion to dismiss Count I is granted[3].

III.

The defendants next move to dismiss Count II of the amended complaint, which seeks a declaration that the plaintiff is a joint inventor pursuant to 35 U.S.C. § 116 on the defendants' pending patent applications for technologies originating from the Eatoni project. The defendants acknowledge that Gutowitz has filed patent applications with the Patent and Trademark Office ("PTO") and with the World Intellectual Property Organization pursuant to the Patent Cooperation Treaty[4].

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[2] The plaintiff also cites two cases from the Appellate Division for the proposition that an agreement to share losses is not an essential element of a partnership agreement. In Chipman v. Steinberg, 106 A.D.2d 343, 483 N.Y.S.2d 256, 257-58 (App. Div. 1984), aff'd 65 N.Y.2d 842, 482 N.E.2d 925, 493 N.Y.S.2d 129 (N.Y. 1985), the Appellate Division found that a sharing of losses is not always and exclusively an indicium of partnership, but it did not hold that a sharing of losses was not required for a partnership. Indeed, the court found that a court may read in a loss sharing element, and the court ultimately held that there was no partnership agreement in that case. In Vincent v. Macbeth, 211 A.D. 110, 206 N.Y.S. 870, 872 (App Div. 1924), the court found that "while an agreement to share in the profits and losses as such is not specifically shown, nevertheless the testimony ... leads to the conclusion that it was the intention of the parties to become partners." The decision does not hold that the partnership that was found to exist did not include the basic element of a shariing of the profits and losses, and it appears that only profits were at issue in the case because the plaintiff sought a dissolution of the partnership and an accounting.

[3] The plaintiff concedes that Count I is not asserted against any defendant other than Gutowitz.

[4] At oral argument, counsel for the defendants acknowledged that the defendants had filed a patent application with the Patent and Trademark Office.

With respect to the national patent application pending before the PTO, the defendants argue that this Court has no subject matter jurisdiction to decide an inventorship issue with respect to a pending patent application. They argue that under 35 U.S.C. § 116 issues with respect to inventorship in a pending PTO application should be addressed to the PTO and not to the Court[5]. However, this Court has jurisdiction under 28 U.S.C. § 1338(a) over this claim, which arises under "any Act of Congress relating to patents ...." In Christianson v. Colt Indus. Operating Corp., 486 U.S. 800, 808-09, 100 L. Ed. 2d 811, 108 S. Ct. 2166 (1988), the Supreme Court held that a district court has jurisdiction over a well-pleadedcomplaint that establishes "that federal patent law creates the cause of action or that the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of one of the well-pleaded claims." In this case the plaintiff correctly argues that his well pleaded claim to correct the designation of inventorship raises an issue of federal patent law under § 116 that is substantial enough to satisfy the jurisdictional test. See Hunter Douglas, Inc. v. Harmonic Design, Inc., 153 F.3d 1318, 1330 (Fed. Cir. 1998), overruled on other grounds by Midwest Indus., Inc. v. Karavan Trailers, Inc., 175 F.3d 1356 (Fed. Cir.), cert. denied, 528 U.S. 1019, 145 L. Ed. 2d 409, 120 S. Ct. 527 (1999); see also Heineken Tech. Servs., B.V. v. Darby, 103 F. Supp. 2d 476, 479 (D. Mass. 2000).[6]

The defendants next argue that the Court has no power to issue a declaration of inventorship with respect to an international patent application. However, the Court of Appeals for the Federal Circuit has recently ruled that a court has the power to instruct a party to change the inventorship designation on a foreign patent application. See Chou v. Univ. of Chicago, 254 F.3d 1347, 1360 (Fed. Cir. 2001).

Finally, the defendants argue that Count II must be dismissed because the plaintiff has not established that he is a joint inventor of the "Touch-Typable Devices Based on Ambiguous Codes and Methods to Design Such Devices" for which Gutowitz is applying for patents. The defendants claim that the plaintiff only co-authored a draft of the patent application. To be a joint inventor, an individual must "(1) contribute in some significant manner to the conception or reduction to practice of the invention, (2) make a contribution to the claimed invention that is not insignificant in quality, when that contribution is measured

[5] 35 U.S.C. § 116 provides in relevant part: "Whenever ... through error an inventor is not named in an application, and such error arose without any deceptive intention on his part, the Director may permit the application to be amended accordingly, under such terms as he prescribes."
[6] The sole case from the Federal Circuit relied upon by the defendants, GAF Bldg. Materials Corp. v. Elk Corp. of Dallas, 90 F.3d 479 (Fed. Cir. 1996), held only that a court cannot adjudicate a validity and infringement suit over a future patent because the dispute was purely hypothetical. In this case, the plaintiff seeks to correct a pending application and does not seek an adjudication of the validity or infrigment of the yet-to-be-issued patent.

against the dimension of the full invention, and (3) do more than merely explain to the real inventors well-known concepts and/or the current state of the art." Pannu v. Iolab Corp., 155 F.3d 1344, 1351 (Fed. Cir. 1998).

The plaintiff alleges in his complaint that he made critical contributions to the "Touch-Typable Devices Based on Ambiguous Codes and Methods to Design Such Devices." There are issues of fact with respect to whether the plaintiff qualifies as a joint inventor of this technology that cannot be resolved on this motion to dismiss. The defendants argue that the plaintiff has not detailed his contributions with particularity, but there is no requirement that patent inventorship claims be pleaded with particularity. The allegations with respect to this claim are sufficiently specific to survive a motion to dismiss. Therefore, the defendants' motion to dismiss Count II of the amended complaint is denied.

IV.

The defendants have moved to dismiss Count III, in which the plaintiff argues that the defendants infringed his copyright in the Foreign Word Frequency Database. The defendants argue that the Foreign Word Frequency Database is an unoriginal compilation that does not merit copyright protection.

The elements of a copyright infringement action are "(1) ownership of a valid copyright and (2) copying of constituent elements of the work that are original." Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 361, 111 S. Ct. 1282, 113 L. Ed. 2d 358 (1991); accord Whimsicality, Inc. v. Rubie's Costume Co., Inc., 891 F.2d 452, 455 (2d Cir. 1989); Range Road Music, Inc. v. Music Sales Corp., 76 F. Supp. 2d 375, 379 (S.D.N.Y. 1999). A certificate of copyright registration is prima facie evidence that a copyright is valid, 17 U.S.C. § 410(c); Whimsicality, 891 F.2d at 455, and shifts the burden to the defendant to prove that it is not. See Hasbro Bradley, Inc. v. Sparkle Toys, Inc., 780 F.2d 189, 192 (2d Cir. 1985).

To be protected by copyright law, a compilation must meet three criteria: "(1) the collection and assembly of preexisting data; (2) the selection, coordination, or arrangement of that data; and (3) a resulting work that is original, by virtue of the selection, coordination, or arrangement of the data contained in the work." Key Publications, Inc. v. Chinatown Today Publishing Enter., Inc., 945 F.2d 509, 512 (2d Cir. 1991) (citation omitted). To be original, a compilation need only exhibit a "minimal amount of creativity." Key Publications, 945 F.2d at 512.

The plaintiff has obtained a copyright registration for the Foreign Word Frequency Database. Therefore, it is the defendants' burden to prove that the registration is not valid. The defendants argue that the Foreign Word Frequency Database does not exhibit the requisite minimal amount of creativity. However, the plaintiff argues that the selection criteria upon which he relied exhibited creativity and produced an original work. There are issues of fact with respect to the nature of the plaintiff's selection process that cannot be resolved on a motion to dismiss. Therefore, the defendants' motion to dismiss Count III is denied.

V.

The defendants move to dismiss Count IV, the plaintiff's trade secret action. To state a claim for misappropriation of a trade secret, the plaintiff must allege that (1) he possessed a trade secret; and (2) the defendants used that trade secret in breach of an agreement, confidence, or duty, or as a result of discovery by improper means. Integrated Cash Mgmt. Serv., Inc. v. Digital Transactions, Inc., 920 F.2d 171, 173 (2d Cir. 1990); Ez-Tixz, Inc. v. Hit-Tix, Inc., 919 F. Supp. 728, 737 (S.D.N.Y. 1996). "A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it." Lehman v. Dow Jones & Co., Inc., 783 F.2d 285, 297 (2d Cir. 1986).

The defendants argue that the plaintiff has not identified a trade secret. However, the complaint alleges that the defendants have misappropriated the plaintiff's Foreign Word Frequency Database and software in products marketed by the defendants. The plaintiff alleges that these items were trade secrets and has therefore sufficiently alleged the first element of a trade secret misappropriation claim. The factual issue of whether these items are in fact trade secrets cannot be decided on this motion to dismiss.

The defendants argue that the Foreign Word Frequency Database and software is not secret because it was obtained from public sources. Secrecy is generally an issue of fact. Lehman, 783 F.2d at 298. The issue of whether these items were secret cannot be resolved on this motion to dismiss.

Finally, the defendants argue that they owed the plaintiff no duty of confidentiality. However, the plaintiff alleges that he disclosed these secrets to Gutowitz in confidence as a fiduciary pursuant to their expected ongoing relationship. The issue of whether Gutowitz had an obligation to keep the Foreign Word Frequency Database and software confidential is an issue of fact that cannot be decided on this motion to dismiss.

Because there are unresolved issues of fact that prevent the resolution of the plaintiff's trade secrets claim, the defendants' motion to dismiss Count IV is denied.

VI.

Finally, Eatoni Ergonomics, Inc. and Eatoni Ergonomics, LLC (the "Eatoni defendants") move to dismiss the plaintiff's claims for unjust enrichment and quantum meruit against them[7]. The Eatoni defendants argue that the plaintiff did not render any services for them until after the plaintiff performed the services alleged in the complaint.

To recover on an unjust enrichment claim, "a plaintiff must prove that the defendant was enriched, that such enrichment was at plaintiff's expense, and that the circumstances were such that in equity and good conscience the defendant should return the money or property to the plaintiff." Dolmetta v. Uintah Nat'l Corp., 712 F.2d 15, 20 (2d Cir. 1983) (citation omitted). To make out a quantum meruit claim, a plaintiff must demonstrate: "the performance of services in good faith, acceptance of the services by the person to whom they are rendered, an expectation of compensation therefor, and the reasonable value of the services." Freedman, 706 N.Y.S.2d at 408 (citation omitted).

Both unjust enrichment and quantum meruit actions are quasi-contract claims. See, e.g., Michele Pommier Models, Inc. v. Men Women NY Model Mgmt., Inc., 14 F. Supp. 2d 331, 338 (S.D.N.Y. 1998), aff'd 173 F.3d 845 (2d Cir. 1999) (unjust enrichment as quasi-contract claim); Heller v. Kurz, 228 A.D.2d 263, 643 N.Y.S.2d 580, 581 (App. Div. 1996) (quantum meruit as quasi-contract claim). "To recover under a theory of quasi contract, a plaintiff must demonstrate that services were performed for the defendant resulting in its unjust enrichment." Kagan v. K-Tel Entertainment, Inc., 172 A.D.2d 375, 568 N.Y.S.2d 756, 757 (App. Div. 1991) (emphasis in original); see also Shortcuts Editorial Servs., Inc. v. Kaleidoscope Sports and Entm't, L.L.C., 183 Misc. 2d 334, 706 N.Y.S.2d 572, 573 (App. Div. 2000).

The plaintiff has not alleged a claim of unjust enrichment or quantum meruit against the Eatoni defendants. The Eatoni defendants were only formed after the plaintiff terminated his relationship with Gutowitz. The plaintiff does not describe any services that he performed for the Eatoni defendants. The fact that the Eatoni defendants may have benefitted from the plaintiff's work is insufficient to support a quasi contract claim. See, e.g., Int'l Customs Assocs., Inc. v. Ford Motor Co., 893 F. Supp. 1251, 1258 (S.D.N.Y. 1995), aff'd 201

[7] Defendant Gutowitz has not moved to dismiss the unjust enrichment and quantum meruit claims against him.

F.3d 431 (2d Cir. 1999), cert. denied, 530 U.S. 1264, 147 L. Ed. 2d 987, 120 S. Ct. 2723 (2000); Kagan, 568 N.Y.S.2d at 757. In responding to the current motion, the plaintiff relies on theories of successorship and alter ego liability, but those theories are not pleaded in the complaint. Therefore, the Eatoni defendants' motion to dismiss the unjust enrichment and quantum meruit claims against them is granted.

CONCLUSION

1. The defendants' motion to dismiss Count I is granted. The Eatoni defendants' motion to dismiss Counts V and VI against them is granted. Because this is the first time that these claims have been dismissed and it cannot be said that the plaintiff can plead no set of facts to support such claims, these causes of action are dismissed without prejudice to repleading.

2. The defendants' motion to dismiss Counts II, III, and IV is denied.

3. The plaintiff shall serve and file any amended complaint in conformity with this opinion within thirty (30) days.

SO ORDERED.
Dated: New York, New York

November 18, 2001

John G. Koeltl United States District Judge