

**Bradley Contracts Hypothetical: November 12, 2013. Consider the contracts law issues:**

Henry Conan Doyle has written a crime novel with the title *The Case of the Dog that Barked Three Times*. Henry has not previously published any of his writing, although he has three other unpublished manuscripts on his computer. He writes a letter in the same terms to each of Frank, who works for Bestbooks, Eva, who works for Wonderbooks, and Alan, who works for Superbooks. Henry's letter states:

I am in the process of offering my novel (a copy of which is enclosed) for publication. I wish the book to be published this year, and I require an advance of at least \$20,000, and royalties of 5% of the gross profits. I am willing to participate in publicizing the book according to your usual terms.

Frank responds:

Thank you for your inquiry. Bestbooks sends proposals for publication out for external review and we will get back to you in four weeks with our reply.

Eva replies:

Thank you for your offer. Wonderbooks does not pay large advances to first-time authors. We could offer you an advance of \$10,000, and we typically pay royalties of 2% of net profits in such circumstances. We could publish your book this year. We enclose our standard publishing contract for your consideration. Please sign and return the contract if you would like to accept our offer.

Alan writes:

On behalf of Superbooks I accept your offer.

Henry thinks that Wonderbooks would be a great publisher to work with and he is willing to take a lower advance and royalties if the book will be well produced and effectively marketed. He sees it as an investment in the future. So he writes back to Eva:

Thank you for your letter. I am pleased to accept your offer. I enclose the signed contract.

The Wonderbooks standard contract contains a provision which states:

Wonderbooks may decide at any time not to publish the work if it determines in its sole discretion that the work is unacceptable.

After Wonderbooks receives Henry's signed contract, another of Wonderbooks' (very successful) authors who used to be married to Henry's wife (she ran away from him with Henry) says that he will leave Wonderbooks if it publishes Henry's novel. Wonderbooks informs Henry that his novel is unacceptable.

Frank informs Henry that Bestbooks would like to publish his book. Bestbooks will pay an advance of \$5000 and will pay royalties of 2% of net profits. Henry accepts Bestbooks' offer. The book is published and is very successful. Alan writes to Henry informing him that Superbooks considers that Henry has breached his contract with them by publishing with Bestbooks.