CALIFORNIA COURT OF APPEAL, FOURTH APPELLATE DISTRICT, DIVISION ONE

Clarke v. Yu

Clarke v. Yu · No. D085636 · Decided March 16, 2026

SUMMARY

The California Court of Appeal affirmed summary judgment for scientists sued by a venture capitalist and a proposed company over an alleged oral or implied joint venture to develop and commercialize C-H activation technology. The court held that the alleged joint venture was subject to the statute of frauds because it could not be performed within one year, and that the related fiduciary-duty claim therefore failed. The court also rejected the promissory estoppel and quantum meruit claims.

CASE DETAILS

COURT	California Court of Appeal, Fourth Appellate District, Division One
WRITING FOR THE COURT	Richard D. Castillo, J.; Judith F. McConnell, P. J.; Marsha Slough Kelet(y), J.
JURISDICTION	California Court of Appeal, Fourth Appellate District, Division One
DECIDED	March 16, 2026
DOCKET	D085636
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiffs appealed from a judgment entered after the Superior Court of San Diego County granted defendants' motion for summary judgment on claims for breach of oral and implied joint venture agreements, breach of fiduciary duty, promissory estoppel, and quantum meruit.
STANDARD OF REVIEW	Summary judgment is reviewed de novo. The evidence is viewed in the light most favorable to the plaintiff as the losing party, with evidentiary doubts and ambiguities resolved in the plaintiff's favor, but uncorroborated and self-serving declarations do not create a genuine issue of material fact. The judgment is affirmed if correct on any ground adequately presented to the trial court.
PRECEDENTIAL VALUE	Published and certified for publication
PARTIES	John Clarke, CHange Pharma, Inc. v. Jin-Quan Yu, Benjamin Cravatt

TOPICS

statute of frauds | summary judgment | promissory estoppel | quantum meruit | breach of fiduciary duty

PRACTICE AREAS

contracts | partnership and joint venture law | civil procedure | commercial litigation | fiduciary duties

QUESTIONS PRESENTED

1. Whether alleged oral and implied joint venture agreements were subject to and unenforceable under the one-year provision of California's statute of frauds.
2. Whether the evidence created a triable issue of material fact as to whether the joint venture could be performed within one year.
3. Whether the alleged unenforceable joint venture could support a breach of fiduciary duty claim.
4. Whether plaintiffs established a clear and unambiguous promise and the other requirements for promissory estoppel.
5. Whether a quantum meruit claim could proceed when the plaintiff expected compensation through an equity interest in the proposed company rather than payment from defendants.
6. Whether summary judgment was proper under the de novo standard of review.

HOLDINGS

1. An oral or implied joint venture agreement is subject to the one-year provision of the statute of frauds if, by its terms, it cannot be performed within one year from its making.
2. Summary judgment was proper on the claims for breach of oral and implied joint venture agreements because the statute of frauds rendered the alleged agreement unenforceable and no genuine dispute existed regarding performance within one year.
3. The breach of fiduciary duty claim failed as a matter of law because it depended on a fiduciary relationship arising from an unenforceable joint venture agreement.
4. The promissory estoppel claim failed because the alleged promises were either barred by the statute of frauds, part of a bargain for which promissory estoppel is unavailable, or insufficiently clear and unambiguous.
5. The quantum meruit claim failed as a matter of law because Clarke expected compensation through an equity interest in CHange rather than payment from Yu or Cravatt.

KEY QUOTATIONS

> *"We thus hold that oral and implied joint ventures are subject to the statute of frauds if the agreement, by its terms, cannot be performed within a year from its making."* (8)

> *"As a result, the statute of frauds renders the joint venture agreement, whether oral or implied, unenforceable."* (12)

> *"We affirm the judgment. Defendants are entitled to recover their appellate costs."* (17)

FACTUAL BACKGROUND

Clarke, a venture capitalist, and scientists Yu and Cravatt had previously worked together on biotechnology companies. In 2021 and 2022 they discussed forming CHange Pharma to develop and commercialize Yu's C-H activation technology, but they disagreed over the amount of initial funding and the scope of the proposed company. Clarke claimed the parties formed an oral or implied joint venture and performed related services, but Yu and Cravatt ultimately pursued other funding and terms. The record showed that development and commercialization of the technology could not be completed within one year, while Clarke's claimed compensation was an equity interest in CHange rather than payment from defendants.

PROCEDURAL HISTORY

Clarke and CHange sued Yu, Cravatt, and Scripps Research Institute. The trial court granted Yu and Cravatt summary judgment on all claims, concluding that the joint venture claims were barred by the statute of frauds and also lacked a written memorialization and mutual assent, that the fiduciary-duty claim could not survive without an enforceable joint venture, that promissory estoppel failed based on an adequate remedy at law, and that quantum meruit lacked evidence of an expectation of payment. The Court of Appeal affirmed, relying in part on grounds different from those stated by the trial court.

DISPOSITION

affirmed

CASES CITED

- Aguilar v. Atlantic Richfield Co., 25 Cal.4th 826, 843 (2001)
- Bailey v. San Francisco District Attorney's Office, 16 Cal.5th 611, 620 (2024)
- King v. United Parcel Service, Inc., 152 Cal.App.4th 426, 433 (2007)
- GoTek Energy, Inc. v. SoCal IP Law Group, LLP, 3 Cal.App.5th 1240, 1245 (2016)
- Securitas Security Services USA, Inc. v. Superior Court, 197 Cal.App.4th 115, 120 (2011)
- County of Riverside v. Loma Linda University, 118 Cal.App.3d 300, 313 (1981)
- Simpson v. Winkelman, 225 Cal.App.2d 746, 748-750 (1964)
- Ginns v. Savage, 61 Cal.2d 520, 524 n.2 (1964)
- April Enterprises, Inc. v. KTTV, 147 Cal.App.3d 805, 819 (1983)
- Foley v. Interactive Data Corp., 47 Cal.3d 654, 674 (1988)
- In re Champion, 58 Cal.4th 965, 986 (2014)
- Dutton v. Interstate Investment Corp., 19 Cal.2d 65, 70 (1941)
- Garcia v. McCutchen, 16 Cal.4th 469, 482 n.10 (1997)
- Oasis West Realty, LLC v. Goldman, 51 Cal.4th 811, 820 (2011)
- San Francisco Iron & Metal Co. v. American Milling & Industrial Co., 115 Cal.App. 238, 248 (1931)
- Garcia v. World Savings, FSB, 183 Cal.App.4th 1031, 1044 (2010)
- Granadino v. Wells Fargo Bank, N.A., 236 Cal.App.4th 411, 416 (2015)

- Youngman v. Nevada Irrigation District, 70 Cal.2d 240, 249 (1969)
- County of Santa Clara v. Superior Court, 14 Cal.5th 1034, 1049 (2023)
- Miller v. Campbell, Warburton, Fitzsimmons, Smith, Mendel & Pastore, 162 Cal.App.4th 1331, 1344 (2008)
- Earhart v. William Low Co., 25 Cal.3d 503, 506 (1979)

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