

Intellectual Property
Fall 2025
Midterm Memo

I was pleased with your answers, which ranged from good to excellent. I will of course be happy to discuss your exams and your grades with you if you have any questions.

The bullet points in the following outline do not precisely correspond to my grading rubric, but they do roughly reflect the overall weight I put on different parts of the analysis. I gave full credit for identifying an issue and analyzing it carefully even if you reached a different conclusion than I did. I gave partial credit for a wrong answer in the right ballpark. I gave extra credit for spotting an issue I missed, or for surprising me with an argument I had not thought of.

There was not a strict upper limit on the number of possible points, An answer that fully covered every point in the outline would have received a score of 35, but the realistic feasible maximum was about 30.

Statistics

	Midterm
Median	21.8
Mean	21.9
Std. Dev.	3.5

Don't Feed the Patents

General Points and Recommendations:

- The most important distinction was between the *B. etheldreda* plant itself (hard to protect as a trade secret and unpatentable) and the process of making a *B. etheldreda* bloom by applying blood (currently still a trade secret and potentially patentable)
- Moranis's employment agreement could allocate IP ownership rights, but does not, and so those rights are determined by the common-law defaults.
- The most important immediate deadline is November 8, the one-year anniversary of when the plants were put on display in Scrivello's office. Since there is a chance that display triggered the one-year grace period, if Moranis intends to pursue patent protection he should make at least a provisional application as soon as possible.
- The next relevant deadline is January 12, the end of WBE's one-year exclusive option. Moranis will have a better negotiating position (ability to weigh competing offers) if he allows this clock to run out.
- Mushnik is about to put *B. etheldreda* on sale to the public, which will threaten Moranis's ability to market the plant and create the risk that someone will discover the blood process. This weighs strongly in favor of applying for a patent on the process and then licensing it.

Trade Secret

- The plant itself appears to be currently known only by Moranis, Greene, Scrivello, Mushnik, WBE, and a few of their associates. That might be a small enough group that it is not "widely known." It is unclear whether it is "readily ascertainable"; while Greene found it growing in the wild, it was previously unknown, so it may grow only in a small area.
- Mushnik has acquired the plant through proper means. Moranis left cuttings lying around the lab, and there was nothing to indicate that they were subject to any kind of secrecy. By working on the plant in

Mushnik's offices using its equipment, Moranis has given Mushnik at least a shop right to it.

- Mushnik is free to market and sell the plant. When it does, the plant will definitely not be a trade secret, because it will be widely known and available.
- The blood process, however, appears to be a protectable trade secret. It is known for certain only by Moranis, and likely by Greene. However, given the name "blood begonia," it is possible that other scientists at Mushnik have also found the mechanism.
- Moranis discovered the blood process entirely at home, using his own resources. He owns the secret in it, and it is not subject to Mushnik's shop right.
- The Mushnik catalog contained secret information about Mushnik's forthcoming plans. Moranis engaged in breach of confidence by sending the catalog to Belushi and Chiffon. It appears that WBE changed its upcoming marketing in response, diluting Mushnik's competitive advantage. Mushnik could sue Moranis and WBE for trade secret misappropriation.

Patent

- The plant itself is a naturally occurring organism. It is not patentable subject matter. *Diamond v. Chakrabarty*.
- The blood process does not, as far as we know, occur in nature. It involves deliberate human intervention in the natural world. It is patentable subject matter. *Id.*
- The process is useful, as it makes an attractive plant bloom.
- The blood process is apparently novel, but it cannot be conclusively assumed that it is. Moranis, who knows the field well, has spent months research it and has not found prior art. For similar reasons, the process is probably nonobvious to a PHOSITA.
- The plant has been in public use since November 8, 2024 at Scrivello's offices where it is exposed to the public. The blood process,

however, is probably not in public use, as Moranis has taken care to prevent anyone from seeing it.

- To the extent that plant and/or process are in public use, Moranis could argue that he is making an experimental use of them to test whether the plant retains its properties over time. One counterargument to this is that this test could be conducted in laboratory conditions. Another is that Moranis may not have retained sufficient control over Scrivello, who failed to report at least one important inquiry (Belushi's) to Moranis.
- All together, then, the process is probably not subject to the one-year grace period starting November 8, 2024, but might be, and Moranis should proceed knowing of this uncertainty.
- The allergenic effects of AME are unfortunate, but do not bar patentability. The fact that an invention may have some harmful effects in use does not prevent it from having utility. *Juicy Whip*. It may pose a marketing or liability challenge, and Moranis and his licensees will need to consider disclaimers or warnings. It may also be a promising avenue for further research.
- The agreement with WBE is not a "sale" that would trigger the on-sale bar. It is an agreement to license information or rights to an invention, not a sale of a patented article itself.
- The disclosure to Greene is probably not a "public" use, as it occurred in the privacy of their home.
- If Moranis and Greene display the notebook at an art exhibit, Moranis should take care not to show pages containing technical details about the plant, as this could potentially constitute a printed publication. (The risk is not huge—art enthusiasts are not commercial plant breeders—but it is still worth considering.)

Copyright

- Moranis does not infringe by reading *Plant Physiology Desk Reference Volume 3* in Mushnik's library; this is a protected use under first sale. Moranis probably does infringe by photocopying 200 pages. This is a violation of the reproduction right, and it does not qualify as a fair

use. His purpose is nontransformative and he is copying it to avoid paying the usual price for a copy. A smaller portion might be fair use, but 200 pages is a great deal.

- Downloading *Begonia Biology* from Skid Row is also likely an infringing reproduction not protected as fair use. Here, the case against fair use is even stronger, because he copied the entire book and he never had legal access to a copy.
- Stubbs's drawing is a copyrightable pictorial or graphical work. It is based on nature, but that is no bar to copyrightability. *Bleistein* ("works drawn from the life"). It is probably not a work made for hire (she is not an employee and it is not in one of the statutory categories). But that does not resolve who currently owns the copyright, as she might have assigned it to Mushnik.
- The catalog layout might be a copyrightable compilation. Alphabetical order is not copyrightable, *Feist*, but the selection of plants and choice of common biological names might in theory have enough originality to be copyrightable. While there is a possibility that WBE's new arrangement infringes by copying these choices, it would require a detailed inquiry into the specifics. Since Mushnik has been using the same arrangement for years, it seems unlikely that Moranis's tipoff was the cause of WBE's choice to switch.
- Chiffon's oil painting is probably protected as a transformative work, given the change in medium, single copy, and personal nature of the gift. The best argument to the contrary is *Warhol v. Goldsmith*, where fair use did not protect a licensing use of a print based on a reference photo. If Chiffon infringed, then Moranis is probably an inducing infringer.
- The printouts that Moranis sent to Belushi and Chiffon copied the drawing, implicating the reproduction and public distribution rights. The use for Belushi was transformative (meant to illustrate Mushnik's plans) but unethical; the use for Chiffon was nontransformative (using the illustration to request something similar). The use for Belushi did not meaningfully compete with a market for

Stubbs's work, but if Chiffon's use was not fair, than Moranis's copying might make him also a direct infringer.

- Greene's sketches are copyrightable pictorial or graphical works. She is free to exhibit them, or not, as she chooses.