PERLEY-ROBERTSON, HILL & McDOUGALL LLP/s.r.l.

CANNABIS LAW FAQ: IP

The effects of Cannabis Law on Intellectual Property (IP) | What you need to know:

The legislative landscape surrounding cannabis law in Canada is changing, and with it, a new realm of challenges and opportunities are emerging. Our team of experts at Perley-Robertson, Hill & McDougall LLP/s.r.l. have been advising clients in the cannabis industry since the development of the *Marijuana for Medical Purposes Regulations* in 2013, and is uniquely positioned to provide you with practical and professional advice in the face of an ever-evolving regulatory regime.

Whether you are already in the industry, seeking to become a licensed cannabis producer, seeking to expand your existing business, or seeking advice on the implications of medical cannabis or the coming legalization of cannabis for your workplace, Perley-Robertson, Hill & McDougall will be there to support you with our experienced team of cannabis law experts.

Our Cannabis Law Team is committed to assisting you with all matters relating to cannabis law. Please contact one of our dedicated team members to get started.

1. CAN I TRADEMARK A CANNABIS BRAND IN CANADA?

Yes, the Canadian Trademarks Office will accept trademark applications for goods such as “dried cannabis” and “live cannabis plants”. The Office will also accept applications for “medicinal marijuana” although in such a case the specific disease or disorder being treated must be listed. For example, the Office will accept “medicinal marijuana for temporary relief of seizures” or “medicinal marijuana for the relief of nausea caused by chemotherapy”.

Other countries have different rules for accepting trademark applications that contain cannabis and marijuana related goods. We work with law firms from around the world to protect your brand worldwide, and can provide you with specific details on the coverage available in various countries.

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2. ARE THERE ANY SPECIAL RESTRICTIONS ON TRADEMARKS USED IN ASSOCIATION WITH CANNABIS RELATED GOODS?

Yes, there will likely be special restrictions on trademarks used in association with cannabis related goods. Although the specific details on the restrictions are still being worked out, draft regulations suggest that trademarks will not be permitted to be used to promote cannabis goods: in a manner that appeals to young persons; by means of a testimonial or endorsement; by depicting a person, character or animal, whether real or fictional; by presenting the product or brand elements in a manner that evokes a positive or negative emotion about or image of, a way of life such as one that includes glamour, recreation, excitement, vitality, risk or daring; by using information that is false, misleading or deceptive, or that is likely to create an erroneous impression about the product's characteristics, value, quantity, composition, strength, concentration, potency, purity, quality, merit, safety, health effects or health risks; by using or displaying a brand element or names of persons authorized to produce, sell or distribute cannabis in connection with the sponsorship of a person, entity, event, activity or facility; or on a facility used for sports, or a cultural event or activity; and by communicating information about price and distribution (except at point of sale).

The above restrictions are set out in the draft regulations and are subject to change in final regulations which will be published as soon as possible following Royal Assent of the Federal *Cannabis Act*. We can review your proposed branding to ensure compliance with the draft regulations (or the final regulations once available), as well as to ensure compliance with general trademark law that is applicable to all marks regardless of the associated goods.

3. CAN I PATENT A NEW CANNABIS VARIETY IN CANADA?

Yes, in a roundabout way. While higher life forms, such as plants, cannot be patented in Canada, cells are eligible for patent protection. A patent for a plant cell can prevent a competitor from growing the plant or selling the seed that contains the patented cell or gene. This effectively provides a work-around to the inability to obtain patents for plants. Another avenue for *protecting* a plant variety is to submit an application under the *Plant Breeders' Rights Act*, which provides protection for new plant varieties. The Act provides the registrant with the exclusive right to sell propagating material (seed) of the registered variety in Canada, among other rights.

While methods for plant breeding are not patentable in Canada, plant breeding that integrates steps of genetic manipulation may be patentable. New growing techniques or related products could also be the subject of a patent in Canada, an example of which might be more efficient containers for facilitating plant propagation.

It should also be kept in mind that a number of technologies related to the manufacture and use of cannabis formulations can be the subject of a patent. This includes novel methods for extracting THC and/or CBD. For example, new and more efficient methods for CO2 extraction could be the subject of a patent. Medicinal compositions may also be the subject of a patent provided they are not already known, as well as compositions for delivery of medicinal ingredients. In fact, specific drug delivery technology tailored to the administration of cannabis ingredients likely offers many new patenting opportunities.

In addition, we work closely with U.S. counsel to define the best strategy for obtaining patent protection in the United States. However, as a general rule, unlike Canada, the United States does not prohibit the patenting of plants, provided they have features that are distinct from an already existing variety. The U.S. also has a separate *Plant Patent Act* that allows for the protection of plants under a separate statutory regime.

4. SHOULD I FILE A PATENT IN THE UNITED STATES WHERE CANNABIS HAS NOT YET BEEN LEGALIZED?

Yes. In the United States, patent applications are routinely allowed on cannabis varieties and related technology. Although legalization in the U.S. is likely a number of years away, it should be kept in mind that the term of a patent is 20 years from filing, so filing in the U.S. is still advisable since a market could exist in the U.S. within the term of the patent. In addition, the U.S. grants patent rights on a first-to-file basis at the Patent Office (rather than first to invent) and so filing early is often recommended in many circumstances.

Given the complexities of the laws and fact-dependent nature of the issues at play, it is always advisable to seek legal counsel regarding any of the above issues. Deep knowledge and understanding of patent laws can go a long way in terms of leveraging your IP rights in Canada and the patenting of cannabis varieties and related technology is certainly no exception.

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This document is available for download at:
www.perlaw.ca/en/expertise/cannabis-law

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