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# Intellectual Property (IP) and Cannabis

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# Today's Topics

- Overview of IP Law
  - Why is IP important?
  - Copyrights
  - Trade and Service Marks
  - Patents
  - Trade Secrets
- IP and Cannabis
  - Cannabis Copyrights
  - Cannabis Trade and Service Marks
  - Cannabis Patents
  - Cannabis Trade Secrets
- Q & A



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# Overview of IP Law





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# What is Intellectual Property?

- Intellectual Property (“IP”) law is based on the concept that **products of the human mind** which have **commercial value** ought to be eligible for **legal protection**.
- Types of IP: Trademarks, Copyrights, Patents, Trade Secrets



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# What is (and is not) eligible for IP protection?

- Examples of things that are eligible for IP protection:
  - Creative works (artwork, books, music)
  - Brands, slogans, logos
  - Inventions, processes, software
  - Labeling, packaging and product configuration
  - Confidential business information
- Examples of things that are not eligible for IP protection:
  - Works in the public domain
    - Facts; math formulas; generic words and phrases
    - Previously protected work whose IP protection has expired
    - Works created by federal government employees as part of their job



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## Why is IP important?

- Commercial value
  - Brand recognition
  - Passive income (royalties, licensing agreements)
  - Investors look for an IP portfolio
- Loss of IP rights or infringement can harm the business
- When should you be thinking about IP?
  - Always!
  - Especially when starting a new business; launching a new product; creating a new brand; developing new company procedures; composing or writing a creative work; building an asset portfolio; etc.

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# Copyrights

- Copyrights protect **original** works of authorship (i.e., creative works) that are **fixed** in a **tangible medium**.
- Can, but need not, be registered with U.S. Copyright Office.
  - Registration necessary to initiate lawsuit for infringement
- © symbol.
- Relatively long term.
  - Life + 70 years for individual authors
  - 95 years from first publication for works made for hire
- 17 U.S.C. § 101 *et seq.*



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# Copyrights

- What is not eligible for copyright protection?
  - Ideas, procedures, processes, systems, discoveries, slogans, names, titles
  - Logos → maybe, if sufficient authorship involved
- What rights are conferred?
  - Exclusive right to reproduce; distribute copies to the public; prepare derivative works; perform publicly; and display publicly.
- Ownership of physical copyrighted property is not the same thing as ownership of the copyright (i.e., owning a copy of a book does not mean one owns the copyright).

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# Trademarks and Service Marks

- What do trademarks and service marks do?
  - Identify source of products / services
  - Indication of quality and reputation
- Rights conferred: Exclusive right to use the mark, and to take legal action against anyone who uses your mark a similar one
- Potentially long term
  - Rights come from use of the mark
  - Protection lasts as long as mark is used in commerce
- Different types: common law, state, and federal





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# Trademarks and Service Marks

- Common law trademarks
  - Enforceable only in limited region where mark is actually in use.
  - <sup>TM</sup> symbol. (<sup>SM</sup> for service marks.)
- California trademarks
  - Registered with the California Secretary of State.
  - Enforceable statewide.
  - Cal. Business & Professions Code § 1200 *et seq.*
- Federal trademarks
  - Registered with United States Patent and Trademarks Office (USPTO).
  - Enforceable nationwide.
  - ® symbol.
  - 15 U.S.C. § 1051 *et seq.*

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# Trademarks and Service Marks

- Selecting a strong and protectable mark
  - Distinctive - Protectable; fanciful, coined or arbitrary in relation to the goods being described
  - Suggestive - Protectable; requires thought to conjure up connection with product,
  - Descriptive - Not protectable until market recognition has been acquired.
  - Generic - Not protectable.
- Importance of trademark searching
- Infringement and enforcement

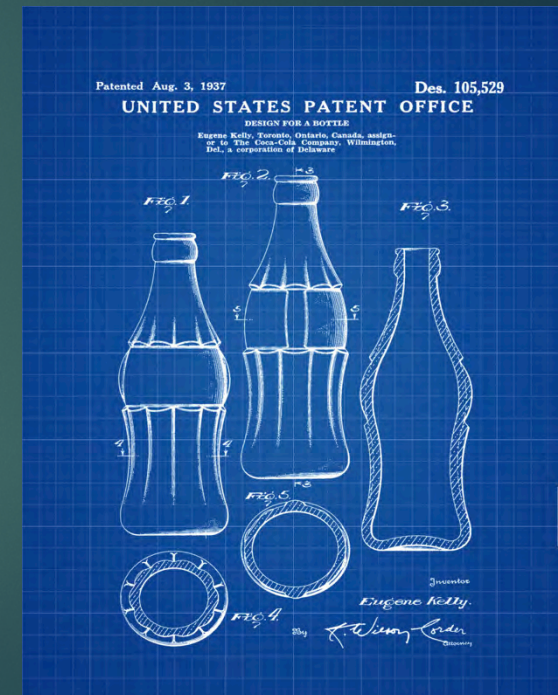
The Southwest logo features the word "Southwest" in a bold, blue, sans-serif font. To the right of the text is a small, stylized globe icon with red, yellow, and blue segments. A registered trademark symbol (®) is located at the top right of the text.The XEROX logo consists of the word "XEROX" in a bold, red, sans-serif font. A registered trademark symbol (®) is located at the top right of the text.



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# Patents

- Protection for **inventions**.
- Registered with United States Patent and Trademarks Office (USPTO).
- What Rights are Conferred?
  - The right to exclude others from making, using, or offering for sale a patented invention.
  - The right to exclude from importing the invention.
- Patent requirements
  - Statutory
  - Useful
  - Novel
  - Nonobviousness
- Must file within required period or you can be barred from doing so later
- 35 U.S.C. §1 *et seq.*



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# Patents

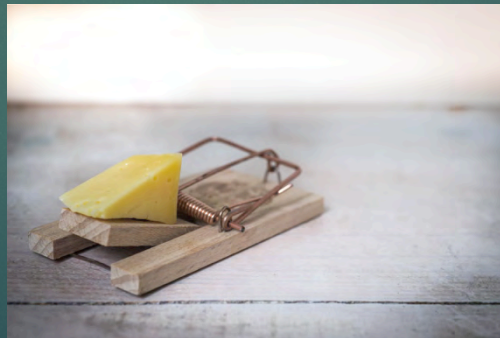
- Utility patents
  - For: Functional inventions (i.e., better mousetrap; genetically modified organisms)
  - Term: 20 years from filing date (usually)
- Design patents
  - For: Nonfunctional or ornamental design element of a utilitarian article
  - Term: 15 years from date granted
- Plant patents
  - For: New invented strains of asexually reproduced plants
  - Term: 20 years from filing date
  - NOTE: Plant patents are different from Plant Variety Protection (PVP) certifications, which do not grant as much protection



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# Patents

- Patent holders need to make sure they're proactively exercising their right to exclude others from producing and/or selling their invention or something similar enough to infringe the patent for their invention.
  - Right can be lost if not exercised.
- Patent litigation can be very costly and time-consuming.



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# Trade Secrets

- Can protect information that does not qualify for other types of IP protection, such as recipes and ideas.
  - Examples: Secret recipe for Coca-Cola; Internal company procedures
- Three basic requirements:
  - (1) Has economic value
  - (2) Not generally known to the public
  - (3) Reasonable efforts taken to maintain its secrecy
- Trade secret laws are mostly based on contracts and secrecy
  - State: Uniform Trade Secrets Act
  - Federal: Defend Trade Secrets Act



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# Trade Secrets

- Can be licensed for a fee or royalty, but must be done carefully in order to preserve status
- Accidental disclosure can destroy “trade secret status”
- Wrongful access to a trade secret can result in legal action
- Important for companies that have developed valuable information to have written Trade Secret Protection Plans



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# Quiz #1





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## Question #1

How long do the rights associated with a copyright last?

- (A) 10 years.
- (B) 20 years.
- (C) At least 70 years.
- (D) As long as the copyright is used in commerce.

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## Question #1

How long do the rights associated with a copyright last?

- (A) 10 years.
- (B) 20 years.
- (C) At least 70 years.
- (D) As long as the copyright is used in commerce.

The answer is (C), at least 70 years. That's because the term is Life + 70 years for individual authors, and 95 years from first publication for works made for hire.



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## Question #2

What does the “™” superscript represent?

- (A) A federally-registered trademark.
- (B) A state-registered trademark.
- (C) A common law trademark.
- (D) None of the above.



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## Question #2

What does the “™” superscript represent?

- (A) A federally-registered trademark.
- (B) A state-registered trademark.
- (C) A common law trademark.
- (D) None of the above.

Then answer is (C), a common law trademark; however, common law trademark rights exist without usage of the “™” symbol. You do not need to register a trade or service mark with the federal or state government in order to use the “™” symbol with your mark. You may infer from the use of a “™” symbol that the mark is not federally registered.



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## Question #3

Which of the following is an example of something that can be protected via a utility patent?

- (A) A process to extract oil from plant matter.
- (B) A new device used for trimming cannabis.
- (C) Compositions and methods for the breeding, production, processing, and use of specialty cannabis.
- (D) All of the above.



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## Question #3

Which of the following is an example of something that can be protected via a utility patent?

- (A) A process to extract oil from plant matter.
- (B) A new device used for trimming cannabis.
- (C) Compositions and methods for the breeding, production, processing, and use of specialty cannabis.
- (D) All of the above.

The answer is (D). All of those could potentially be protectable with a utility patent.





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## Question #4

Which of these is an example of something that could be a trade secret?

- (A) Standard Operating Procedures for a manufacturing company.
- (B) A book about plant breeding written by a renowned horticulturist.
- (C) A businesses' logo and slogan, which they've used publicly for two years.
- (D) None of the above.

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## Question #4

Which of these is an example of something that could be a trade secret?

- (A) Standard Operating Procedures for a manufacturing company.
- (B) A book about plant breeding written by a renowned horticulturist.
- (C) A businesses' logo and slogan, which they've used publicly for two years.
- (D) None of the above.

The answer is (A). A company's Standard Operating Procedures could be given "trade secret status" if the SOPs have economic value, the procedures aren't generally known, and the company has taken reasonable steps to maintain their secrecy.



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# Cannabis and IP



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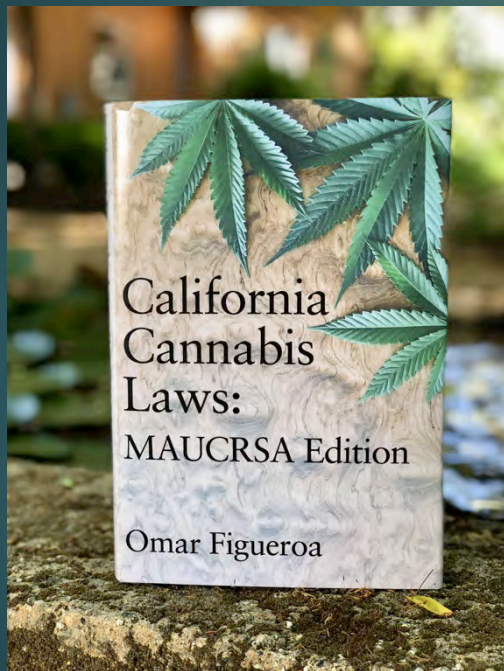
# Cannabis Copyrights

- No problem with U.S. Copyright Office.
  - Prevailing view: Illegality is not a bar to copyrightability or enforceability
- Inexpensive to apply for and obtain compared to patents and trademarks.
- Cannabis companies could consider copyright protection for brand logos and other visual designs that are original and involve a degree of creativity.
  - Only protects the graphic elements, not the words themselves
- Books and other written works relating to cannabis are also eligible.



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# Cannabis Copyrights



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# Cannabis Trade and Service Marks

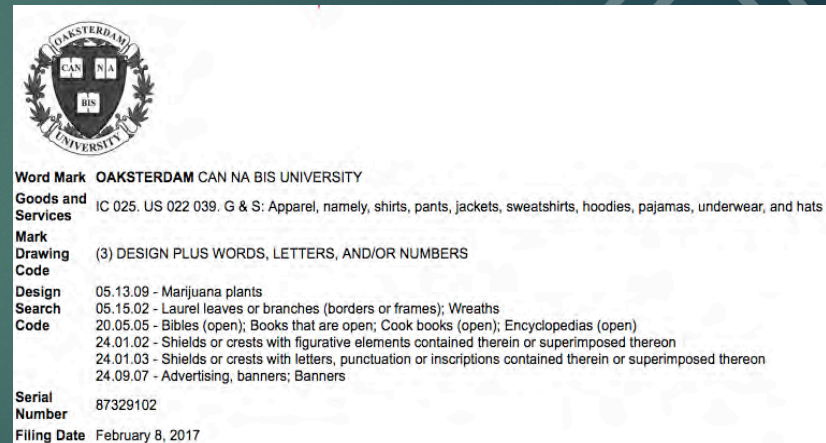
- Limited common law protection.
- USPTO does not register cannabis marks yet.
  - Requirement that marks refer to goods and services that are legal under federal law
  - Illegal goods and services = violate federal CSA
  - “Natural zone of expansion” for related goods
- California Secretary of State does register cannabis marks.
  - New as of January 1, 2018
  - “Lawful” use within the State of California





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# Cannabis Trade and Service Marks



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# Cannabis Trade and Service Marks



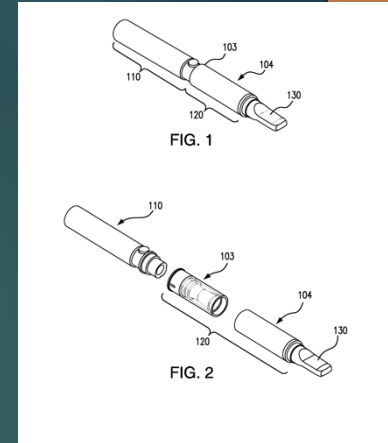
**girl scouts**



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# Cannabis Patents


- A new variety of cannabis could be eligible for protection via a Plant Variety Protection (PVP) Certification under the Plant Variety Protection Act; via a Plant Patent under the Plant Patent Act; or via a regular utility patent under the Patent Act.
- Ancillary products eligible for utility patents.
  - Vaporizers, extraction machines, manufacturing processes, etc.



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# Cannabis Patents

- Utility patents assigned to Biotech Institute, LLC: [9095554](#), [9370164](#), [9642317](#).
- Plant patent for Ecuadorian sativa assigned to Kubby Patent and Licenses, LLC: [PP27,475](#).




US00PP27475P2

(12) **United States Plant Patent**  
**Kubby**

(10) **Patent No.:** **US PP27,475 P2**  
(45) **Date of Patent:** **Dec. 20, 2016**

(54) **CANNABIS PLANT NAMED 'ECUADORIAN SATIVA'**  
(50) Latin Name: *Cannabis sativa*; ssp. *sativa* and *Cannabis sativa* ssp. *indica* (L.am.)  
Varietal Denomination: **Ecuadorian Sativa**  
(75) Inventor: **Steven Wynn Kubby**, South Lake Tahoe, CA (US)  
(73) Assignee: **KUBBY PATENT AND LICENSES, LIMITED LIABILITY COMPANY**, Burnet, TX (US)  
(\* ) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 779 days.  
(21) Appl. No.: **12/661,271**

Recommended Methods for the Identification and Analysis of *Cannabis* and *Cannabis* Products. <http://www.unodc.org/documents/scientific/ST-NAR-40-Ebook.pdf> 2009.\*  
\* cited by examiner  
*Primary Examiner* — Annette Para  
(74) *Attorney, Agent, or Firm* — Jacobson Holman, PLLC.  
(57) **ABSTRACT**  
Unique herbaceous annual '*Cannabis sativa*' female plants,



US009370164B2

(12) **United States Patent**  
**Lewis et al.**

(10) **Patent No.:** **US 9,370,164 B2**  
(45) **Date of Patent:** **\*Jun. 21, 2016**

(54) **BREEDING, PRODUCTION, PROCESSING AND USE OF SPECIALTY CANNABIS**  
(71) Applicant: **Biotech Institute LLC**, Los Angeles, CA (US)  
(72) Inventors: **Mark Anthony Lewis**, Los Angeles, CA (US); **Michael D Backes**, Los Angeles, CA (US); **Matthew W Giese**, Los Angeles, CA (US)  
(73) Assignee: **Biotech Institute, LLC**, Westlake Village, CA (US)  
(\* ) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

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De Meijer et al., 2009, The Inheritance of chemical phenotype in Cannabis sativa L. (III) Variation in Cannabis sativa L. Genetics, 177:1005-1015.



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# Cannabis Patents

- Public Domain and the [Open Cannabis Project](#).



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# Cannabis Trade Secrets

- Company procedures, product formulas, etc.
- Establishing a trade secret protection plan
  - Four principles: inventory, simplicity, responsibility, review
  - NDA's, controlled access, logs, point person, audits





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# Cannabis Trade Secrets

- Manufacturing regulations recognize SOP's may constitute trade secrets, and a general description may suffice for licensing purposes.
- Be sure to clearly designate as confidential any trade secrets provided to state agencies during the licensing process
  - Failure to do so → Information subject to disclosure under the California Public Records Act



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# Quiz #2





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## Question #1

A newly-created variety of *Cannabis* could be eligible for which of the following kinds of IP protection?

- (A) Utility Patent
- (B) Design Patent
- (C) Plant Patent
- (D) A & B
- (E) A & C
- (F) B & C



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## Question #1

A newly-created variety of *Cannabis* could be eligible for which of the following kinds of IP protection?

- (A) Utility Patent
- (B) Design Patent
- (C) Plant Patent
- (D) A & B
- (E) A & C
- (F) B & C

The answer is (E) - A & C.

A new variety of *Cannabis* could be eligible for a utility patent or a plant patent.



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## Question #2

True or False: California accepts trademark applications for cannabis.

- (A) True
- (B) False

True or False: The USPTO accepts trademark applications for cannabis.

- (A) True
- (B) False



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## Question #2

True or False: California accepts trademark applications for cannabis.

(A) True

- (A) True
- (B) False

True or False: The USPTO accepts trademark applications for cannabis.

(B) False

- (A) True
- (B) False





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## Question #3

Which of the following is NOT an example of a trade secret?

- (A) A product formulation.
- (B) Proprietary company information.
- (C) A manuscript published and sold to the public.
- (D) None of the above.



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## Question #3

Which of the following is NOT an example of a trade secret?

- (A) A product formulation.
- (B) Proprietary company information.
- (C) A manuscript published and sold to the public.
- (D) None of the above.

The answer is (C), a manuscript published by a company employee. Reasonable efforts must be taken to maintain the secrecy of something to attain “trade secret status,” and that is not the case with a manuscript that has been published and sold to the public. That material could potentially be copyrightable, though.



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## Question #4

What type of IP protection would you seek if you wrote an original book about cannabis cultivation that you sold to the public?

- (A) Trademark
- (B) Copyright
- (C) Utility patent
- (D) Plant patent



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## Question #4

What type of IP protection would you seek if you wrote an original book about cannabis cultivation that you sold to the public?

- (A) Trademark
- (B) Copyright
- (C) Utility patent
- (D) Plant patent

The answer is (B), a copyright. Copyrights protect original creative works that are fixed in a tangible medium, such as an original piece of writing, that are not meant to be kept a secret.



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Questions?



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Thank You!

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