

PROTECTION OF INVENTIONS RELATED TO THE MARIJUANA INDUSTRY

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Legal access to marijuana in Canada is not new, *per se*. Marijuana has been available to those who require it for medical purposes since 1999, first through an exemption under the *Controlled Drugs and Substances Act*^[1] and subsequently through a series of regulations which have further codified the medicinal marijuana regime in Canada^[2]. What is new, however, is the potential scope of legal access to marijuana in Canada. As previously reported in our [bulletin](#), two bills (Bill C-45 and Bill C-46) are currently tabled before our House of Commons and, once passed, will establish a framework for producing, selling, distributing, and possessing non-medical access to marijuana in Canada.

Legalization of non-medical access to marijuana will undoubtedly create and open business opportunities for those looking to enter, or those already in, the marijuana industry. As reported in the *Financial Post* in October 2015, the marijuana industry in Canada may blossom from a \$100 million industry to a \$5 billion industry upon legalization of non-medical marijuana access^[3]. That's a lot of money, and with that money will come a wealth of opportunities for new goods and services, such as new marijuana-related inventions. Examples of marijuana-related inventions which may soon be the subject of increased research and development efforts include, but are not limited to, new varieties of marijuana plants, new farming methods, techniques and equipment, development of new cannabinoid compounds, kits, chemical compositions comprising one or more cannabinoid compounds, and ancillary items or equipment applicable to the marijuana industry at both the industry level and the consumer level.

Currently, at least three protection systems exist in Canada that may be applicable to protecting inventions related to the marijuana industry: (i) the plant protection system; (ii) the patent protection system; (iii) the industrial design system. The United States also has similar protection systems, though federal prohibitions still in place in the United States may limit the exercise of protected rights to some extent.

Plant Breeders' Rights Act:

Under the *Plant Breeders' Rights Act*^[4] in Canada, the holder of a plant breeder's rights respecting a plant variety has the exclusive right to do at least the following: (i) produce and reproduce the protected plant

variety; (ii) sell the propagating material of the variety; and (iii) export/import propagating material of the plant variety. The protection period under the Canadian *Plant Breeders' Rights Act* for new strains of marijuana plants is likely twenty (20) years from the date that the certificate of plant breeder's rights is issued, unless otherwise specified by regulation. Twenty years should provide enough time to allow a player in the marijuana industry to establish its market presence, importance, and influence.

Our neighbours just south of the border are no strangers to plant protection. For example, U.S. PP27475, which issued in December 2016, relates to a cultivar of the cannabis plant that the inventor identifies as "*Ecuadorian Sativa*".

Depending on any subject-matter restrictions and potential legality-issues arising from any passage of Bills C-45 and C-46 and the laws of other jurisdictions, seeking protection for the marijuana plant variety itself may be a savvy decision for a marijuana plant producer.

Patent Act:

Under the Patent Act^[5] in Canada, patent protection may be sought for an invention that is a new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter. The protection period in Canada for such new inventions is twenty (20) years from the filing date of the patent application.

Even before any discussion of legalization of non-medical access to marijuana, industry players have sought protection for marijuana-related inventions in Canada. For example, Canadian Issued Patent 2,356,020 relates to a transdermal patch for delivering cannabis chemicals to an individual's bloodstream. In another example, Canadian Patent Application 2,887,841 relates to a cannabis drug detection device that collects and quantifies cannabis compounds from exhaled breath. These are but two examples of many patent applications and registrations that have been presented before or issued by the Canadian Intellectual Property Office.

Canada is not alone; the United States has also issued patents for marijuana-related inventions. For example, issued U.S. Patent No. 9,694,040 relates to a method of extracting and hydrogenating the essential oil of a cannabis plant. In another example, issued U.S. Patent No. 9,565,865 relates to methods of making a coffee products containing cannabinoids that are extracted from marijuana. In another, issued U.S. Patent No. 9,095,563 relates to a topical formulation comprising a Cannabis derived botanical drug product. In yet another example, issued U.S. Patent No. 8,490,629 relates to a smoking device intended for therapeutic uses, such as medical marijuana.

Again depending on subject-matter restrictions and any potential legality-issues arising from any passage of Bills C-45 and C-46 and the laws of other jurisdictions, marijuana-related inventions can be protected.

Industrial Design Act:

Under the *Industrial Design Act*^[6] in Canada, protection for a design, shape, configuration, pattern or ornament in a finished article may be protectable. The protection period for the aesthetic look of such finished articles is ten (10) years from the date of registration. Designs of marijuana-related paraphernalia may therefore be protectable under this legislation. However, what may be protectable may be subject to provisions of Bill C-45 which prohibit the selling of “cannabis accessory that has an appearance, shape or other sensory attribute or a function that there are reasonable grounds to believe could be appealing to young persons” [emphasis added].^[7]

Conclusion:

Mechanisms for protecting marijuana-related inventions exist in Canada (and at least in some jurisdictions abroad). Records from the Canadian and United States patent offices show that marijuana-related inventions are not only protectable assets, but that such assets may be worth protecting. For many players in the marijuana industry, these assets will form a part of the core commercial value of their businesses. It is important for new entrants in the marijuana industry to understand and evaluate how intellectual property protection complements their business goals. It will also be important that new innovations arising from R&D in the marijuana industry comply with the incoming and current Canadian legislation, and, to the extent applicable, the laws of other jurisdictions.

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by Pablo Tseng and Michael E. Reid

[1] [Controlled Drug and Substances Act](#) (S.C. 1996, c. 19).

[2] [Marihuana Medical Access Regulations \(SOR/2001-227\)](#) – repealed; [Marihuana for Medical Purposes Regulations \(SOR/2013-119\)](#) – repealed; [Access to Cannabis for Medical Purposes Regulations \(SOR/2016-230\)](#).

[3] Koven, P., [Canada's budding marijuana industry could blossom into a \\$5-billion market if Liberals make recreational pot legal](#), (accessed September 21, 2017).

[4] [Plant Breeders' Rights Act](#) (S.C. 1990, c. 20).

[5] [Patent Act](#) (R.S.C., 1985, c. P-4).

[6] [Industrial Design Act](#) (R.S.C., 1985, c. I-9).

[7] [Bill C-45](#), section 31.

A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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