

Intellectual Property in Cannabis: Are Your Rights Protected?

By Ashton Butler and John Sanche

The federal *Cannabis Act* came into effect in October of 2018, which has resulted in a proliferation of cannabis-related innovations. For Canadian cannabis companies, this means that protecting intellectual property (IP) is becoming increasingly relevant. There are a variety of forms of IP protection that cannabis companies can engage to protect IP rights, including patents, plant breeder's rights, trademarks, trade secrets, and designs. At this point in time, the three most relevant options for protecting IP in the cannabis market include patent, plant breeder's rights and trademark protection.

Patent Protection

In Canada, it is not possible to obtain patent protection for higher life forms.ⁱ IP protection for higher life forms, including plants, does not fall within the scope of the *Patent Act*.ⁱⁱ The Canadian Intellectual Property Office (CIPO) has amended the Manual of Patent Office Practice to define "higher life forms" to include animals, plants (and a plant part which includes: a cutting or seed, for example), mushrooms, fertilized eggs, and totipotent stem cells.ⁱⁱⁱ

Although plant varieties are outside the ambit of direct patent protection in Canada, transformed cell lines and plant cell cultures may be patented to protect a plant variety indirectly.^{iv} As such, a patent may be obtained for a transgenic cannabis gene or a genetically modified cannabis cell line, which would indirectly protect the cannabis plant variety itself since certain activities, such as using or selling seeds containing the patented gene or cell would constitute infringement of the patent right. Further, patent protection may be obtained for certain cannabis products, methods of making a product and related devices, and accessory products such as new devices or methods invented to ingest cannabis.

In the U.S., there is no prohibition on patenting higher life forms, thus new plant varieties may be patented. It is common in the U.S. to see "dual protection" of a new plant variety, where the breeder may protect the plant variety via two distinct pathways. The first is through plant patents or plant variety rights, and the second is through utility patents, which are based on a different statutory regime. In Canada, this "dual protection" through the use of obtaining both a patent and through plant breeder's rights is possible, although not as popular, as it is in the U.S.

Plant Breeder's Rights Protection

Plant varieties that are distinct, uniform and stable may be protected under the *Plant Breeders' Rights Act (PBRA)* which is administered by the Canadian Food Inspection Agency.^v The holder of plant breeder's rights respecting a plant variety has the exclusive right to sell and produce the protected variety in Canada, including the right to sell the variety's propagating material, to use the variety in commercially producing another variety, and to license these rights to a third party.^{vi} The PBRA gives a court the authority to make "any interim or final order" it deems just in an action for infringement of plant breeder's rights, including relief by way of injunction.^{vii}

In order to be eligible for protection under the PBRA, a plant variety must meet four conditions. It must be:

1. New, that is, not previously sold;
2. Different from all other varieties;
3. Stable, which means each generation is the same; and
4. Uniform, that is, all plants in the variety are the same.^{viii}

Plant breeder's rights allow the rights holder to exclude others from:

- selling;
- producing;
- exporting;
- importing;
- making repeated use of;
- conditioning; and
- stocking

the propagating material of the protected plant variety for 20 to 25 years (depending on the type of plant).^{ix}

Enforcement of plant breeder's rights for infringement is subject to exceptions. A person may use the propagating material of a protected plant variety for the following:

- private non-commercial purposes;
- for experimental purposes or to breed a new plant variety; and
- "farmers' privilege" which allows a farmer who has legitimately obtained a protected variety to save seeds or other propagating material and replant the variety from one year to the next without infringing plant breeder's rights.^x

Trademark Protection

Trademark protection is a useful form of brand protection, which a company may pursue instead of, or in addition to, patent or plant breeder's rights protection. Unlike with patents and plant breeder's rights, trademark protection does not require a strain to be new in order to obtain protection.

Trademarks can be obtained for one or many words, sounds, designs or other "signs" to distinguish the goods or services of a person or organization from those of others.^{xi} Trademarks are indicators of the source of goods or services—they provide a "shortcut to get consumers to where they want to go".^{xii} Trademarks are typically obtained to protect the name of a product, service, or a business logo or slogan. Trademarks have some protection at common law; however registered trademarks have much stronger protection and remedies. A Canadian registered trademark gives its owner exclusive use of the trademark throughout Canada in association with the goods and services listed in the registration. That exclusive right to use a trademark also prevents others in the relevant jurisdiction from using a similar mark to that of the trademark holder, in association with the same or similar goods or services.

Cannabis businesses will undoubtedly want to create strong branding—as all businesses do. However, the Cannabis Act imposes significant limitations on how cannabis may be marketed, which will similarly restrict the types of trademarks that could be associated with cannabis products. For example, it is prohibited to promote cannabis or a cannabis accessory or service related to cannabis by presenting it or any of its brand elements in a way that associates it with, or evokes a positive or negative emotion about, a way of life that includes glamour, recreation, excitement, vitality, risk or daring.^{xiii}

Takeaways

Although higher life forms cannot be patented in Canada, it is possible to patent genetic modifications made through human invention and cells containing such genetic modifications. For strains of cannabis produced by selective breeding processes, plant breeder's rights protection may also be an appropriate form of protection that should be sought for the new strain, in addition to or instead of patent protection. Plant breeder's rights provide some rights that are similar to those provided by a patent, but the two forms of IP are governed by different statutes, and the

requirements for obtaining IP protection under the Patent Act and the PBRA are different. In terms of making applications for IP protection, plant breeder's rights applications are examined by the Plant Breeders' Rights Office, similar to the way that a patent application is examined by the CIPO. For protection of a particular cannabis brand, applying for a registered trademark is the strongest option, bearing in mind the branding limitations imposed by the Cannabis Act.

In addition to protecting specific cannabis strains, cannabis edibles, topicals and extracts are expected to be available in October 2019, which may change the landscape of intellectual property protection companies can pursue.

This bulletin is intended as general information only and is not to be taken as legal advice. For assistance in determining which forms of IP protection are suitable for your company's purposes, any member of our [Intellectual Property](#) team would be happy to assist you.

ⁱ *Harvard College v Canada (Commissioner of Patents)*, 2002 SCC 76 at paras 153 – 166 [**Harvard Mouse**]

ⁱⁱ *Harvard Mouse* at paras 153 – 166; *Patent Act*, RSC 1985, c P-4

ⁱⁱⁱ Industry Canada, Canadian Intellectual Property Office, *Manual of Patent Office Practice*, Chapter 17.02.01

^{iv} *Monsanto Canada Inc v Schmeiser*, 2004 SCC 34

^v *Plant Breeders' Rights Act*, SC 1990, c 20 [**PBRA**]

^{vi} *PBRA*, s 5(1)

^{vii} *PBRA*, s 41(2)

^{viii} *PBRA*, s 2

^{ix} *PBRA* s 5(1) & 6(1)

^x *PBRA* s 5.3(1) & (2)

^{xi} Government of Canada, "A guide to trademarks" available online [here](#)

^{xii} *Masterpiece Inc. v. Alavida Lifestyles Inc.*, 2011 SCC 27 at para. 1, quoting *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, [2006] 1 S.C.R. 772, at para. 21

^{xiii} *Cannabis Act*, s. 17(1)(e)