

Building an Intellectual Property Portfolio

Omar Figueroa, Esq. Lauren Mendelsohn, Esq.

Presented for the Humboldt County Growers Alliance & Origins Council

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About the Speakers





Omar Figueroa, Esq.

Omar Figueroa is the Founder and Principal Attorney of the Law Offices of Omar Figueroa, one of the leading cannabis licensing, regulatory compliance, and intellectual property law firms in California. Omar frequently speaks at cannabis events and has taught dozens of continuing legal education (CLE) seminars related to cannabis law and legal ethics.

Omar is a Director of the <u>National Cannabis Industry Association</u>, the <u>California Cannabis</u> <u>Tourism Association</u>, and the Sebastopol Center for the Arts. He is also a Chapter Leader of the Sonoma County ACLU Chapter.

He is also a Founding Lifetime Member and former Director of the <u>International Cannabis</u> <u>Bar Association</u>, a Lifetime Member of the <u>NORML Legal Committee</u>, and recognized with the rare <u>Distinguished Counsel's Award</u> by NORML.

Omar is the author of numerous legal reference works on <u>California Cannabis Laws and Regulations</u> as well as <u>New York Cannabis Laws and Regulations</u>.

Omar is a graduate of Yale College, Stanford Law School, and the Trial Lawyers College. He has also completed an Executive Education program for directors of corporate boards at the Wharton School in Philadelphia.

As a member of the prestigious <u>Ganjier Council</u>, Omar collaborated with cannabis luminaries in developing a curriculum for training cannabis sommeliers as well as a Systematic Assessment Protocol (SAP) for judging fine cannabis.

About the Speakers





Lauren Mendelsohn, Esq.

Lauren Mendelsohn is a Senior Associate Attorney at the Law Offices of Omar Figueroa, a boutique Sonoma County-based law firm focusing on the cannabis and hemp industries. She is an activist at heart who enjoys helping individuals and businesses navigate regulatory regimes and the criminal justice system. She was named a 2020 and 2021 Northern California Rising Star by Super Lawyers®.

Lauren focuses on cannabis permitting and licensing, regulatory compliance, business formations and transactions, intellectual property, government relations, and post-conviction relief. She formerly chaired the Board of Directors of Students for Sensible Drug Policy (SSDP), an international non-profit aimed at ending the counterproductive "War on Drugs."

Lauren currently sits on the Board of Directors of the <u>International Cannabis Bar Association</u> and the <u>Sonoma County Growers Alliance</u>. Lauren earned her J.D. from the University of California, Irvine School of Law and her B.S. in Psychology from the University of Maryland.

Outline



- Introduction to Intellectual Property
- Copyrights
- Trademarks
- Trade Secrets
- Patents
- Appellations of Origin
- City of Origin, County of Origin, and City & County of Origin
- OCal (comparable-to-organic)
- Intellectual Property Holding Companies
- Q&A

Introduction to Intellectual Property

Introduction to Intellectual Property (IP)



According to the World Intellectual Property Organization (WIPO), "Intellectual Property (IP) refers to creations of the mind such as:

- Inventions
- Literary and artistic works
- Designs, and
- Symbols, names and images used in commerce.

Avoid infringing on someone else's IP if you want to avoid litigation.











Copyrights

Copyrights



- Article 1, section 8, clause 8 of the United States Constitution give Congress
 the powers to enact laws to "promote the progress of science and useful arts,
 by securing for limited times to authors and inventors the exclusive right to
 their respective writings and discoveries."
- According to the US Copyright Office, "Copyright is a type of intellectual property that protects original works of authorship as soon as an author fixes the work in a tangible form of expression."
- According to WIPO, copyright (or author's right) is a legal term used to describe the rights that creators have over their literary and artistic works.
- Use of © symbol

Copyrights



Copyright.gov | U.S. Copyright Office



Although the laws and regulations themselves cannot be copyrighted, a carefully curated compendium of the laws and regulations can be copyrighted. The creative selection and arrangement of the materials is copyrightable as a compilation.

Infringement: cannot sue if material is not registered with the U.S. Copyright Office.

Trademarks

Trademarks & Service Marks



- At the state level, trademarks (and service marks) indicating the source of the goods in lawful commerce can be registered, usually with the Secretary of State.
- For example, the California Secretary of State registers cannabis trademarks as long as the marks are used in lawful commerce in California. California law does not allow for intent-to-use registrations or certification mark registrations.
- At the federal level, the US Patent and Trademark Office (USPTO) does not register trademarks for cannabis, but does register trademarks for hemp, defined as "the plant Cannabis sativa L., with a delta-9-tetrahydrocannabinol (THC) concentration of not more than 0.3 percent on a dry weight basis." This is because a mark must be legally used in interstate commerce in order to be eligible for registration.







SM Symbols:

USPTO: Trademarks & Certification Marks



TSDR ASSIGN Status

TTAB Status

(Use the "Back" button of the Internet Browser to return to TESS)

SWAMI SELECT

Word Mark SWAMI SELECT

Goods and IC 031. US 001 046. G & S: Non-edible natural plants and flowers in the nature of raw hemp herbs and raw herbs from the plant

Services Cannabis sativa L., all with a delta-9 tetrahydrocannabinol (THC) concentration of not more than 0.3 percent on a dry weight basis; all of
the foreacing excluding hemp for consumption as a cooking food or product

Standard Characters Claimed

Mark Drawing (4)

(4) STANDARD CHARACTER MARK

Code



The certification mark, as used or intended to be used by persons authorized by the certifier, certifies or is intended to certify that the goods provided have been produced by a business that meets the standards set by a U.S. state, county, or city social equity program that seeks to address social inequalities and policy concerns related to gender and sexuality, race, age, mental or physical disability, class, ethnicity, language, education, civil rights, socioeconomic status or religion, by requiring that a business's ownership structure, operations, employment practices or charitable contributions demonstrate a commitment to juistice and equality.

for September 8, 2020

Opposition

Owner (APPLICANT) Sacred Treasure House Inc. CORPORATION CALIFORNIA 44911 Hwy 101, #174 Laytonville CALIFORNIA 95454

Record LAUREN MENDELSOHN, ESQ.

Disclaimer NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "SELECT" APART FROM THE MARK AS SHOWN

Type of Mark

Register PRINCIPAL
Live/Dead Indicator



Performing the Functions and Duries of the Under Severage of Commerce for Intellectual Property

certifier, certifies or is intended to certify that the goods provided have been produced by a basiness that meets the standards set by a U.S. state, country, or eity social equity program that seeks to address social inequalities and policy concerns related to gender and sexuality, reac, age, mental of "Physical disability, class, ethnicity, language, education, civil rights, sectoeconomic status or religion, by requiring that a Suntenset, education, civil rights, sectoeconomic status or religion, by requiring that a Suntenset and Commistrate a commitment to justice and equality.

SER, NO. 88-682,132, FILED 11-06-2019



☐ Brief

Useful Tools & Links

Related Section

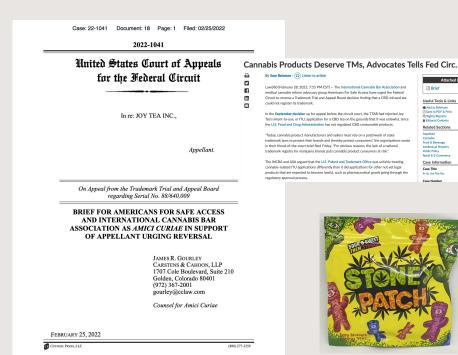
Food & Beverage

Petall & F. Commer

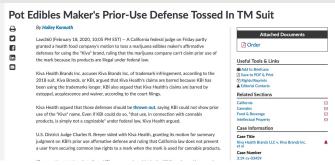
Case Information

Issues Involving Cannabis Trademarks









2d 1568, at *2-*3; CreAgri, 474 F.3d at 630. California law, however, does not prevent a user from securing common law rights to a mark when the mark is used for cannabis products. Because the state law that allows KBI a common law right in the KIVA mark would encroach on KHB's federal trademark rights (thereby permitting a confusing trademark to operate and "infringing on the guarantee of exclusive use" to the federal trademark holder), the Lanham Act preempts the state law. See Golden Door, 646 F.2d at 352. KBI cannot be the senior user of the KIVA mark.

Trade Secrets

Trade Secrets



- California law defines a trade secret as: "information, including a formula, pattern, compilation, program, device, method, technique, or process, that:
 (1) Derives independent economic value, actual or petential, from not being
 - (1) Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and
 - (2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy."

California Uniform Trade Secrets Act, codified at Civil Code § 3426.1.

- Trade secrets can include client lists, secret formulas, or secret recipes.
- Famous trade secrets: Google search algorithm, recipe for Coca-Cola
- Trade secrets are not registered; registration would destroy the secret.

Trade Secrets



Trade secrets are also protected under federal law pursuant to the Defend Trade Secrets Act of 2016 (DTSA). The definition of a "trade secret" in the DTSA protects all types of proprietary information as long as reasonable measures are taken to keep such information secret and the information derives independent economic value from not being generally known:

the term "trade secret" means all forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if—

(A) the owner thereof has taken reasonable measures to keep such information secret; and

(B) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information

Implementing a comprehensive trade secret protection program buttressed by NDA's, etc. is critical.

Patents

Introduction to Patents



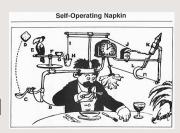
- According to USPTO, "A patent for an invention is a grant of a property right to the inventor, issued by the United States Patent and Trademark Office.
 Generally, the term of a new patent is 20 years from the application filing date.
- The right conferred by the grant of the patent is, in the language of the statute and of the grant itself, "the right to exclude others from making, using, offering for sale, or selling" the invention in the United States, or "importing" the invention into the United States.
- What is granted is not the right to make, use, offer for sale, sell or import, but the right to exclude others from making, using, offering for sale, or importing the invention.

Types of Patents



There are three types of patents:

- 1) **Utility patents** may be granted to anyone who invents or discovers any new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof;
- 2) **Design patents** may be granted to anyone who invents a new, original, and ornamental design for an article of manufacture; and
- 3) **Plant patents** may be granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant.





I claim as my invention:

The variety of avocado tree herein described characterized by its summer ripening, mediumsized fruits, of purple color having a leathery skin which is thin for a Guatemalian, and borne on long stemps, with a small tight seed and with creamy flesh of excellent color and nutty flavor, smooth with no fibre and butter-like consistency,

RUDOLPH G. HASS.



Patents: Plant Patents (Asexually Reproduced)

Limited scope of protection of plant patents: the protection is limited to asexual reproduction (cannot be asexually reproduced or cloned without permission). Provides no protection against unauthorized sexual reproduction (via pollination).

(12) United States Plant Patent Kubby

(54) CANNABIS PLANT NAMED 'ECUADORIAN SATIVA'

- (50) Latin Name: Cannabis sativa; ssp. sativa and Cannabis sativa ssp. indica (Lam.)
 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)

(57) ABSTRACT

Unique herbaceous annual 'Cannabis sativa' female plants, having numerous glandular flowers in a congested and elongated inflorescence, hollow stems a characteristic of the I fiber-producing strains of 'Cannabis sativa ssp. sativa' but absent in strains of 'Cannabis sativa ssp. indica.' The plants are intoxicating, characteristic of 'Cannabis sativa, ssp. indica', but absent in subspecies sativa. The new strain has energizing and motivating psychoactive effects as opposed to the lethargy normally associated with ssp. indica and (show hypotensive effects. Morphologically, the plants have a few branched hairs on the stem that are not characteristic of the species, but are ordinary in most other respects.

Patents: Utility Patents

Utility Patents Offer Greatest Protection

ited States Paten	t (10) Patent N (45) Date of P	atent:
		N PATENT DOCUN
licant: Biotech Institute LLC, Wes Village, CA (US)		ER PUBLICATION
CA (US); Michael D Backe	CBD-crew Sweet and Sc CBD-crew Launch Inter Fishedick, J. et al. Phyto Russo, E.B., The British pp. 1344-1364.*	our Widow (2012) pp. view (2009) pp. 1-3.* vichemistry (2010) vol. a Journal of Pharmaco
gnee: Biotech Institute LLC , Los CA (US)	1 <i>E</i> N	oort; (Critical Mass, Fu
	EEDING, PRODUCTION, PROCIDUSE OF SPECIALTY CANNABIlicant: Biotech Institute LLC, Wesvillage, CA (US) Mark Anthony Lewis, West CA (US); Michael D Backes Village, CA (US); Matthew Westlake Village, CA (US) gnee: Biotech Institute LLC, Los	Tis et al. (45) Date of P EEDING, PRODUCTION, PROCESSING DUSE OF SPECIALTY CANNABIS dicant: Biotech Institute LLC, Westlake Village, CA (US) Mark Anthony Lewis, Westlake Village, CA (US); Michael D Backes, Westlake Village, CA (US); Matthew Giese, Westlake Village, CA (US) gnee: Biotech Institute LLC, Los Angeles, CA (US) Biotech Institute LLC, Los Angeles, CA (US)

In some embodiments, the present invention provides Specialty Cannabis plants, plant parts, tissues and cells having a THC content that is ≥2.0% but ≤90.0% based on the dry weight of plant inflorescences; and, a non-THC CBs content based on the dry weight of plant inflorescences that is $\geq 1.5\%$. Thus, the specialty *cannabis* plants, plant parts, plant tissues and plant cells of the present invention will have a THC content selected from the group consisting of 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10%, 11%, 12%, 13%, 14%, 15%, 16%, 17%, 18%, 19%, 20%, 21%, 22%, 23%, 24%, 25%, 26%, 27%, 28%, 29%, 30%, 31%, 32%, 33%, 34%, 35%, 36%, 37%, 38%, 39%, 40%, 41%, 42%, 43%, 44%, 45%, 46%, 47%, 48%, 49%, 50%, 51%, 52%, 53%, 54%, 55%, 56%, 57%, 58%, 59%, 60%, 61%, 62%, 63%, 64%, 65%, 66%, 67%, 68%, 69%, 70%, 71%, 72%, 73%, 74%, 75%, 76%, 77%, 78%, 79%, 80%, 81%, 82%, 83%, 84%, 85%, 86%, 87%, 88%, 89% and 90%; and, a CBs content selected from the group consisting of 1.5%, 1.6%, 1.7%, 1.8%, 1.9%, 2.0%, 2.1%, 2.2%, 2.3%, 2.4%, 2.5%, 2.6%, 2.7%, 2.8%, 2.9%, 3.0%, 4.0%, 5.0%, 6.0%, 7.0%, 8.0%, 9.0%, 10.0%, 11.0%, 12.0%, 13.0%, 14.0%, 15.0%, 16.0%, 17.0%, 18.0%, 19.0%, 20.0%, 21.0%, 22.0%, 23.0%, 24.0%, 25.0%, 26.0%, 27.0%, 28.0%, 29.0%, 30.0%, 31.0%, 32.0%, 33.0%, 34.0%, 35.0%, 36.0%, 37.0%, 38.0%, 39.0%, 40.0%, 41.0%, 42.0%, 43.0%, 44.0%, 45.0%, 46.0%, 47.0%, 48.0%, 49.0%, 50.0%, 51.0%, 52.0%, 53.0%, 54.0%, 55.0%, 56.0%, 57.0%, 58.0%, 59.0%, 60.0%, 61.0%, 62.0%, 63.0%, 64.0%, 65.0%, 66.0%, 67.0%, 68.0%, 69.0%, 70.0%, 71.0%, 72.0%, 73.0%, 74.0%, 75.0%, 76.0%, 77.0%, 78.0%, 79.0%, 80.0%, 81.0%, 82.0%, 83.0%, 84.0%, 85.0%, 86.0%, 87.0%, 88.0%, 89.0%, 90.0%, 91.0%, 92%, 93%, 94%, 95%, 96%, 97%, and 98%.



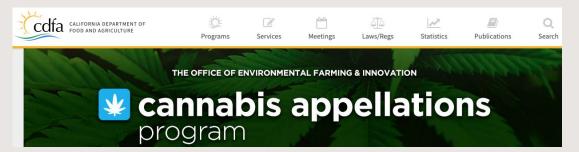
Appellations of Origin

Appellations of Origin



- California law requires the Department of Food and Agriculture (CDFA) to "establish a process by which licensed cultivators may establish appellations of origin, including standards, practices, and cultivars applicable to cannabis produced in a certain geographical area in California." Business & Professions Code § 26063(b).
- These appellations of origin are terroir-based. "An appellation of origin shall not be approved unless it requires the practice of planting in the ground in the canopy area and excludes the practices of using structures, including a greenhouse, hoop house, glasshouse, conservatory, hothouse, and any similar structure, and any artificial light in the canopy area." § 26063(c).

Appellations of Origin



The Cannabis Appellations Program is not accepting applications at this time. OAL approved CDFA's proposed regulations detailing the process by which outdoor cultivators may establish appellations of origin for cannabis. Prior to accepting petitions to establish an appellation, the Department is developing the administrative structure for the program and establishing a review panel to support the fair and thorough evaluation of petitions. In early 2022, the Department will hold a virtual stakeholder meeting to discuss program progress. CDFA intends to announce the opening of appellation of origin petition acceptance in the middle of 2022. Petitions received prior to an announcement from the Department will not be accepted. Please sign up for the program listsery (top right-hand side of this page) as



Petition to Establish an Appellation of Origin



- Description of name and history of the proposed appellation of origin, including an explanation of how the name has been used in the geographical area covered by the proposed appellation of origin
- Maps and narrative description of boundary
- Narrative description of the distinctive geographical features affecting cannabis production
- Identification of at least one specific standard, practice, or cultivar requirement which acts to preserve the causal link(s) between one or more distinctive geographical feature(s) and the cannabis, including:
 - Description of the mechanism by which the requirement preserves or maintains the causal link, and
 - A clear distinction between cultivation methods which are allowed and prohibited under each requirement

City of Origin, County of Origin, and City & County of Origin

City of Origin, County of Origin & City and County of Origin

- California law requires the Department of Food and Agriculture (CDFA) to "establish a process by which a licensed cultivator may designate a county, city, or city and county of origin for cannabis." Business & Professions Code § 26063(a).
- "To be eligible for the designation, 100 percent of the cannabis shall be produced within the designated county, city, or city and county, as defined by finite political boundaries.









OCal comparable-to-organic

OCal comparable-to-organic

- OCal is a statewide certification program that establishes and enforces comparable-to-organic cannabis standards.
- The OCal Program is intended to ensure that cannabis products bearing the OCal seal have been certified to consistent, uniform standards comparable to the National Organic Program.



OCal comparable-to-organic

Updated 2/25/2022



Certified Operations

		Certification	Certification			
Operation	Certifier	No.	Effective Date	Status	Product(s)	License #
Highland Canopy LLC DBA Sonoma Hills Farm	CCOF	R-001 C-001	10/20/2021	Active	Flower	CCL20-0000520
Sensiboldt Organics LLC	CCOF	R-001 C-002	10/20/2021	Active	Flower	CCL19-0001092
Redwood Remedies	CCOF	R-001 C-003	10/24/2021	Active	Flower	C11-001210-LIC; CCL18-0003802; CCL18-003788
Organic Medicinals, Inc.	CCOF	R-001 C-004	11/3/2021	Active	Flower	CCL18-0000937
Dry Farmed Organic Medicinals, LLC DBA Alluvium Organics	CCOF	R-001 C-005	11/3/2021	Active	Flower	CCL20-0001260; CCL20-0001262; CCL20-0001269; CCL20-0001272; CCL20-0001547; CCL20-0001307
Happy Dreams Farm, LLC	CCOF	R-001 C-006	11/3/2021	Active	Flower	CCL20-0001285; CCL20-0001642
Stong Agronomy Management, Inc. DBA Coastal Sun	Envirocann	R-002 C-007	11/24/2021	Active	Immature Plants, Clones, Seeds, and Flower	CCL18-0001210
Zarabanda Inc. DBA Zarbanda Inc. and Santa Cruz Sun Grown	Envirocann	R-002 C-008	12/1/2021	Active	Flower	CCL19-0000670; CL21-0001950; CL210001951
Humboldt Sun Growers Guild, LLC dba True Humboldt	CCOF	R-001 C-009	2/24/2022	Active	Flower, Pre-rolls	CCL19-0004711; C12-0000076-LIC

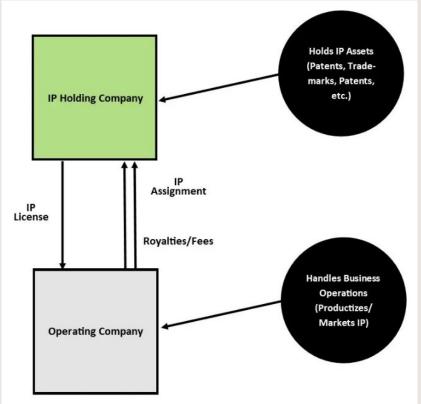
Intellectual Property (IP) Holding Companies



Intellectual Property Holding Companies

IP holding companies hold and actively manage IP assets (copyrights, trademarks, trade secrets, utility patents, plant patents, etc.)
In IP talk, assignment = sale, and license = rental.

IP assets are assigned to the IP
Holding Company, which then licenses
the IP assets to operating companies;
these operating companies use the IP
assets to run the business.



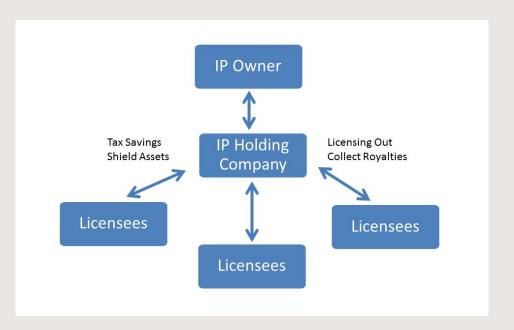
Example: IP Holding Company

The top secret recipe for the world's most delicious cannabis-infused chocolate chip cookies is owned by a fictitious IP Holding Company named YumNom Holdings.

YumNom Holdings licenses this valuable trade secret to an operating company, which happens to be a licensed cannabis manufacturing facility in California.

The operating company (IP licensee) uses the top secret recipe and ends up with a best-selling product.

In exchange for the IP license, the operating company pays royalties to YumNom Holdings. Imagine licensees in other states, and all over the world! Would royalty payments multiply?



Avoid "naked" licenses. Control quality.

Q & A





Thank you!

California Headquarters

Lauren Mendelsohn & Omar Figueroa

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