

IP Strategies, Enforcement Considerations, and Potential Ethical Pitfalls in Virginia's Anticipated (Quasi-)Legal Cannabis Industry

May 11, 2021

Presented by
Larry Sandell



■ Huge and Rapidly Growing Cannabis Industry

- 2019 → \$13.2 Billion in “legal”
 - \$5.9 Billion Medical
 - \$7.4 Billion Recreational
- 2020 → \$20.1 Billion in “legal”
 - \$8.6 Billion Medical
 - \$11.6 Billion Recreational
- Projected to double by 2025 – only accounting for current “legal” states
 - \$16.3 Billion Medical
 - \$25.1 Billion Recreational
- CAGR through 2025 is 21%
 - 18.7% Medical
 - 22.7% Recreational

- **“Plant Touching” Businesses**

- Growing, processing, distributing, retail sales
- Flower, edibles, vape cartridges, cosmetics, oils, tinctures....

- **Ancillary Businesses (“selling the pick ax”)**

- Growing, smoking, vaping, trimming, extraction technologies
- Smell-proof and child-proof containers
- Growing equipment and supplies
- Chemical and laboratory sales: terpenes, suspension fluids
- Accounting, banking, legal, regulatory & licensing, security, software & data analytics

Cannabis 101

- *Cannabis Sativa*

- Two main cannabinoids:
 - THC (delta-9-tetrahydrocannabinol)
 - CBD (cannabidiol)
 - 142+ others isolated to date
- Hemp
 - Negligible THC (< 0.3 %)
 - Industrial uses (from fibrous stalks)
 - textiles, food, paper, biofuel, etc.
 - Medical uses (CBD extraction)
- Marijuana
 - THC and CBD
 - medical & recreational uses



Federal Law

- **Controlled Substances Act**

- Marijuana is a Schedule I Drug
 - No medical value & high potential for abuse
 - Excises only fibrous stalk from “Marihuana” – 21 USC 801 (16)

- **Prohibition still on the books – with SEVERE felony penalties**

- Less than 50 plants or 50 kg: up to five years of incarceration and a \$250,000 fine
- 50-99 plants or kilograms: up to 20 years of incarceration and a \$1,000,000 fine,
- 100-999 plants or kilograms: 5-40 years of incarceration and up to a \$5,000,000 fine,
- 1,000 or more plants or kilograms: between 10 years to life and up to a \$10,000,000 fine.

- **Rohrabacher-Farr Budget Rider (§ 542) bars Federal expenditures on Prosecutions and Appeals if State Medical Marijuana Law Strictly Followed**

- *United States v. McIntosh*, 833 F.3d 1163 (9th Cir. 2016)
- *United States v. Klienman*, No. 14-50585 (9th Cir., Jan. 22, 2018)

Federal Law

- **2018 Farm Bill**

- Permitted growing of hemp under some circumstances
- Legalized CBD extracted from hemp (which is indistinguishable)

- **Banking Issues**

- 2013 “Cole Memo” memorialized DOJ tolerance of cannabis industry in states with robust regulatory schemes
 - Extended to financial institutions in 2014
- Former Attorney General Jeff Sessions rescinded Cole Memo in January 2018, but FinCEN 2014 guidance remained
- Cannabis Banking in Limbo

- **Tax Issues**

- 26 USC 280E

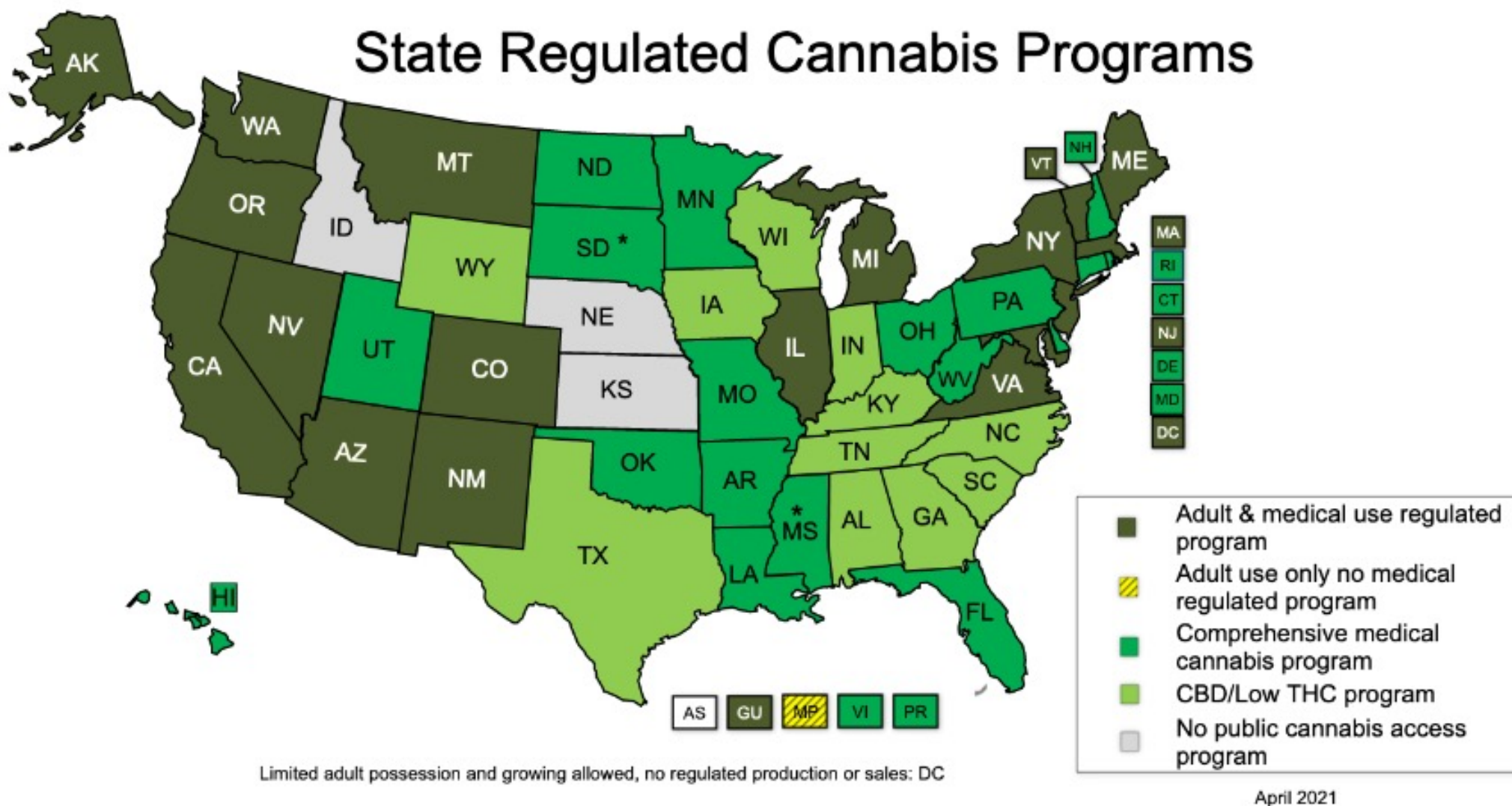
- **FDA Issues**

- CBD Regulations are lacking

Legalization on the Horizon?

■ Federal

- *“There’s no stopping the industry now’: Democratic control is a big win for marijuana”* (Politico, Jan. 31, 2021)
- Reforms passed House in 2020:
 - Secure and Fair Enforcement (SAFE) Banking Act
 - Marijuana Opportunity, Reinvestment and Expungement (MORE) Act
 - De-scheduling
 - Expungement of prior convictions
- New Majority Leader Chuck Schumer promised to prioritize advancing cannabis reform if Democrats retook Senate
 - De-scheduling
 - Expungement of prior convictions
 - Tax revenue invested in communities impacted by drug war



Current Virginia Law

■ Medical Use

- Cannabis extracts only; no flower
 - Sales began October 2020
 - “Legalized” in 2017, but ineffective
- Registration through Virginia Board of Pharmacy (BOP) required
- Certification from physician, physician assistant, or nurse practitioner registered with BOP

■ Decriminalization

- Possession of one ounce or less is a \$500 fine
 - (Effective July 1, 2020)
- Law enforcement cannot use cannabis odor as pretext for search or seizure of property
 - (Effective March 1, 2021)

Legalization on the Horizon!

■ Virginia

- Gov. Northam's Amendment approved by Legislature April 6, 2021
- Legalization starting **July 1, 2021**
 - Possession (< 1 ounce)
 - Non-public consumption
 - Home cultivation (up to 4 plants)
 - Automatic expungement of prior cannabis convictions
 - Potential 1 year jail term for any importation into VA

Legalization on the Horizon!

- Adult recreational retail sales to start 2024
 - Regulatory framework not established yet.
 - Localities can opt out of retail stores
 - Taxes:
 - 21% state tax (on top of standard 6% sales tax)
 - up to 3% local
 - Revenue ear-marked:
 - pre-K education for at-risk children (40%)
 - Cannabis Equity Reinvestment Fund (30%)
 - » Education, job, legal defense, and loans for social equity
 - substance abuse treatment and prevention (25%)
 - public health programs (5%)

Ethical Rules

- **Virginia - Rule of Professional Conduct 1.2(c)**

- “A lawyer shall not counsel a client to engage, or assist a client, in **conduct that the lawyer knows is criminal** or fraudulent, but a lawyer may discuss the legal consequences of any proposed course of conduct with a client and may counsel or assist a client to make a good faith effort to determine the validity, scope, meaning, or application of the law.”

- **Substantially identical to:**

- ABA Model Rule 1.2(d)
- USPTO - Patent Rule 11.102 (d)
- Most states

Ethical Rules: Other States

- **Maryland (Ethics Dkt. No. 2016-10):**
 - “Summary: Maryland attorneys are not prohibited under the Maryland Rules of Professional Conduct from advising clients as to medical marijuana business related activities in Maryland, or providing legal services such as contracting or negotiating to advance such projects; and Maryland attorneys are not prohibited by the Rules of Professional Conduct from owning a business interest in such a venture....” but read the fine print
- **Pennsylvania Rule 1.2(e)**
 - “A lawyer may counsel or assist a client regarding conduct expressly permitted by Pennsylvania law, provided that the lawyer counsels the client about the legal consequences, under other applicable law, of the client’s proposed course of conduct.”

Ethical Rules: Other States

- **New Jersey (Rule 1.2(d) ¶ 2):**

- “A lawyer may counsel a client regarding New Jersey’s medical marijuana laws and assist the client to engage in conduct that the lawyer reasonably believes is authorized by those laws. The lawyer shall also advise the client regarding related federal law and policy.”

- **Colorado (Rule 1.2 note 14)**

- “A lawyer may counsel a client regarding the validity, scope, and meaning of Colorado constitution article XVIII, secs. 14 & 16, and may assist a client in conduct that the lawyer reasonably believes is permitted by these constitutional provisions and the statutes, regulations, orders, and other state or local provisions implementing them. In these circumstances, the lawyer shall also advise the client regarding related federal law and policy.”

Ethical Rules: Other States

- **Other “legal” states with a rule or ethics opinion include:**
 - Alaska, Arizona, California, Colorado, Connecticut, Hawaii, Illinois, Maine, Maryland, Minnesota, Missouri, Nevada, New Jersey, New Hampshire, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Washington, and West Virginia (as of Feb. 10, 2020)

Ethical Rules: Privilege Implications?

■ Federal Rule of Evidence 501

The common law — as interpreted by United States courts in the light of reason and experience — governs a claim of privilege unless any of the following provides otherwise:

- the United States Constitution;
- a federal statute; or
- rules prescribed by the Supreme Court.

But in a civil case, state law governs privilege regarding a claim or defense **for which state law supplies the rule of decision.**



US006630507B1

Utility Patents

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

(10) **Patent No.:** **US 6,630,507 B1**
(45) **Date of Patent:** **Oct. 7, 2003**

(54) **CANNABINOID AS ANTIOXIDANTS AND NEUROPROTECTANTS**

(75) Inventors: **Aidan J. Hampson**, Irvine, CA (US);
Julius Axelrod, Rockville, MD (US);
Maurizio Grimaldi, Bethesda, MD (US)

(73) Assignee: **The United States of America as represented by the Department of Health and Human Services**, Washington, DC (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.

(21) Appl. No.: **09/674,028**

(22) PCT Filed: **Apr. 21, 1999**

(86) PCT No.: **PCT/US99/08769**

§ 371 (c)(1),
(2), (4) Date: **Feb. 2, 2001**

(87) PCT Pub. No.: **WO99/53917**

PCT Pub. Date: **Oct. 28, 1999**

Related U.S. Application Data

(60) Provisional application No. 60/082,589, filed on Apr. 21, 1998, and provisional application No. 60/095,993, filed on Aug. 10, 1998.

(51) **Int. Cl.⁷** **A61K 31/35**
(52) **U.S. Cl.** **514/454**
(58) **Field of Search** 514/454

(56) **References Cited**

U.S. PATENT DOCUMENTS

2,304,669 A 12/1942 Adams 568/743

OTHER PUBLICATIONS

Windholz et al., The Merck Index, Tenth Edition (1983) p. 241, abstract No. 1723.*

Mechoulam et al., "A Total Synthesis of d1- Δ^1 -Tetrahydrocannabinol, the Active Constituent of Hashish¹," *Journal of the American Chemical Society*, 87:14:3273-3275 (1965).

Mechoulam et al., "Chemical B. Science, 18:611-612 (1970).

Ottersen et al., "The Crystal and Cannabidiol," *Acta Chem. Scand* Cunha et al., "Chronic Adminis Healthy Volunteers and Epileptic 21:175-185 (1980).

Consroe et al., "Acute and Ch Effects in Audiogenic Seizure-S

mental Neurology, Academic Pres

Turkanis et al., "Electrophysiol nabinoids," *J. Clin. Pharmacol.*,

Carlini et al., "Hypnotic and Ant nabioliol," *J. Clin. Pharmacol.*, 21:417S-427S (1981).

Karler et al., "The Cannabinoids as Potential Antiepilep- tics," *J. Clin. Pharmacol.*, 21:437S-448S (1981).

Consroe et al., "Antiepileptic Potential of gos," *J. Clin. Pharmacol.*, 21:428S-436S (1981).

(List continued on next p

Primary Examiner—Kevin E. Weddingt
(74) Attorney, Agent, or Firm—Klarqui

(57) **ABSTRACT**

Cannabinoids have been found to have antioxidant properties, unrelated to NMDA receptor antagonism. This new found property makes cannabinoids useful in the treatment and prophylaxis of wide variety of oxidation associated diseases, such as ischemic, age-related, inflammatory and autoimmune diseases. The cannabinoids are found to have particular application as neuroprotectants, for example in limiting neurological damage following ischemic insults, such as stroke and trauma, or in the treatment of neurodegenerative diseases, such as Alzheimer's disease, Parkinson's disease and HIV dementia. Nonpsychoactive

We claim:

1. A method of treating diseases caused by oxidative stress, comprising administering a therapeutically effective amount of a cannabinoid that has substantially no binding to the NMDA receptor to a subject who has a disease caused by oxidative stress.

2. The method of claim 1, wherein the cannabinoid is nonpsychoactive.

Assignee: **The United States of America as represented by the Department of Health and Human Services**, Washington, DC (US)

Plant Patents



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* (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)

(*) 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

(22) Filed: Mar. 13, 2010

(51) Int. Cl. A01H 5/00 (2006.01)

(52) U.S. Cl. USPC Plt./263.1

(58) Field of Classification Search USPC Plt./263.1
See application file for complete search history.

(56) References Cited

PUBLICATIONS

Forapani et al. Comparison of Hemp Varieties Using Random Amplified Polymorphic DNA Markers. Crop Science 41:1682-1689 (2001).*

1

The *Cannabis* plant named 'Ecuadorian Sativa' having a laboratory name of 'CTS-A' a variety of a cross between '*Cannabis sativa*; ssp. *Sativa*' and '*Cannabis sativa* ssp. *Indica* (Lam.)'.

BACKGROUND OF THE INVENTION

This invention relates to a novel hybrid of a cross between individuals thought to be of the two subspecies of '*Cannabis sativa* L.', '*Cannabis sativa*; ssp. *sativa*' and '*Cannabis sativa* ssp. *Indica*'.

HISTORICAL NOTE

Human cultivation history of *Cannabis* dates back 8000 years. Schultes, R E. 1970. Random thoughts and queries on

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, having numerous glandular flowers in a congested and elongated inflorescence, hollow stems a characteristic of the 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.

3 Drawing Sheets

2

26(1) TAXON 110 (1977)); (Hillig, K W and Mahlberg, P G, 91(6) American Journal of Botany 966-975 (2004)), remains in question. This is in spite of the fact that its formal scientific name, '*Cannabis sativa* L.', assigned by Carolus Linnaeus (Linnaeus, C, 2 SPECIES PLANTARUM 1027 (1753), Salvius, Stockholm. Facsimile edition, 1957-1959. Ray Society, London, U.K.), is one of the oldest established names in botanical history and is still accepted to this day. Another species in the genus, '*Cannabis indica* Lam.' was formally named somewhat later (de Lamarck, J B, 1(2) ENCYCLOPEDIE METHODIQUE DE BOTANIQUE, 694-5,(1785)), but is still very old in botanical history.

Three other species names were proposed in the 1800s to distinguish plants with presumably different characteristics (*C. macrosperma* Stokes, *C. chinensis* Delile, *C. gigantea* Vilmorin), none of which are accepted today, although the epithet "indica" lives on as a subspecies of *C. sativa* ('C.

■ MPEP 2403.02:

“[A] deposit is not necessary for the grant of a plant patent under the provisions of 35 U.S.C. 161-164.”

Patents: Prosecution

- **Is prosecuting a cannabis patent assisting a client in conduct that the lawyer knows is criminal?**
 - Fundamentally a right to exclude.
 - The USPTO has duly issued such patents.
 - The US government holds cannabis patent rights.
 - Plant material deposits are a bad idea!
 - Ancillary cannabis product patents?
 - Inform your clients about Federal law.
- **Prior Art Issues**
 - Known public sales and use—even if illegal
 - Impress upon your clients the duty of disclosure!
 - Medical Marijuana became legal in California in 1996

Patents: Enforcement

Case 1:18-cv-01922-NYW Document 1 Filed 07/30/18 USDC Colorado Page 1 of 10

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Civil Action No: _____

UNITED CANNABIS CORPORATION
a Colorado Corporation

Plaintiff,

v.

PURE HEMP COLLECTIVE INC.,
a Colorado Corporation

Defendant.

**COMPLAINT FOR PATENT INFRINGEMENT
AND DEMAND FOR JURY TRIAL**

Plaintiff United Cannabis Corporation (“UCANN”) files this complaint for patent infringement against Defendant Pure Hemp Collective Inc. (“Pure Hemp”) and, in support thereof, alleges as follows:

NATURE OF THE ACTION

1. This is a civil action for patent infringement under the patent laws of the United States, 35 U.S.C. § 1 et seq.
2. UCANN, a biotechnology company specializing in the development of cannabis as a medicine, owns and has the right, title, and interest in and to “Cannabis extracts and methods of preparing and using same,” patent registered with the United States Patent and Trademark Office as U.S. Patent No. 9,730,911 (“the ’911 Patent”). The ’911 Patent claims various liquid formulations of highly enriched extracts of plant cannabinoids.

Patents: Enforcement



US009730911B2

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

(10) **Patent No.:** **US 9,730,911 B2**

(45) **Date of Patent:** **Aug. 15, 2017**

(54) **CANNABIS EXTRACTS AND METHODS OF PREPARING AND USING SAME**

(71) Applicant: **United Cannabis Corp.**, Denver, CO (US)

(72) Inventors: **Tony Verzura**, Denver, CO (US);
Earnie Blackmon, Denver, CO (US)

(73) Assignee: **United Cannabis Corp.**, Denver, CO (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.

(21) Appl. No.: **14/919,245**

(22) Filed: **Oct. 21, 2015**

(65) **Prior Publication Data**
US 2016/0106705 A1 Apr. 21, 2016

Related U.S. Application Data
(60) Provisional application No. 62/066,795, filed on Oct. 21, 2014, provisional application No. 62/068,278, filed on Oct. 24, 2014.

(51) **Int. Cl.**
A61K 31/35 (2006.01)
A61K 31/353 (2006.01)
A61K 31/192 (2006.01)
A61K 31/352 (2006.01)
A61K 31/05 (2006.01)
A61K 36/185 (2006.01)

(52) **U.S. Cl.**
CPC **A61K 31/353** (2013.01); **A61K 31/05** (2013.01); **A61K 31/192** (2013.01); **A61K 31/352** (2013.01); **A61K 36/185** (2013.01)

(58) **Field of Classification Search**
USPC 514/454, 729, 568
See application file for complete search history.

(56) **References Cited**
U.S. PATENT DOCUMENTS

6,949,582 B1 9/2005 Wallace
2003/0050334 A1 3/2003 Murty et al.
2011/0092583 A1 4/2011 Murty et al.

FOREIGN PATENT DOCUMENTS

CA 2503310 10/2006
DE 10051427 6/2002
EP 2182940 3/2014
GB 2434312 7/2007

Database WPI, Week 201215, Thomson Scientific, CN 102246992A, Nov. 23, 2011.

* cited by examiner

Primary Examiner — Rei-Tsang Shiao

(74) *Attorney, Agent, or Firm* — Cooley LLP; Ivor Elrifi; Cynthia Kozakiewicz

(57) **ABSTRACT**

The invention relates to the extraction of pharmaceutically active components from plant materials, and more particularly to the preparation of a botanical drug substance (BDS) for incorporation in to a medicament. It also relates to a BDS, for use in pharmaceutical formulations. In particular it relates to BDS comprising cannabinoids obtained by extraction from *cannabis*.

36 Claims, No Drawings

10. A liquid cannabinoid formulation, wherein at least 95% of the total cannabinoids is cannabidiol (CBD).

20. A liquid cannabinoid formulation, wherein at least 95% of the total cannabinoids are THC and CBD.

Patents: Enforcement

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

Canopy Growth Corporation,)	
)	
Plaintiff,)	
v.)	Civil Action No. 6:20-cv-1180
)	
GW Pharmaceuticals PLC,)	
)	<u>JURY TRIAL DEMANDED</u>
Defendant.)	
)	

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Canopy Growth Corporation (“Canopy”) files this complaint for patent infringement against Defendant GW Pharmaceuticals PLC (“GW”) and in support thereof alleges and avers as follows:

NATURE OF THE ACTION

1. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. § 1 *et seq.*, specifically including 35 U.S.C. § 271.

THE PARTIES

2. Canopy is a publicly traded corporation, incorporated in Canada, with its head office located at 1 Hershey Drive, Smiths Falls, Ontario, Canada, K7A 0A8.

3. On information and belief, GW is a public limited company organized under the laws of the United Kingdom, with a principal place of business at Sovereign House, Vision Park, Chivers Way, Histon, Cambridge, CB24 9BZ United Kingdom.

- Filed Dec 12, 2020
 - same day that the recently acquired patent issued
- Accused Product is GW’s flagship product, Epidiolex®
 - CBD-based
 - FDA approved
- GW Pharmaceuticals PLC
 - NASDAQ: GWPH
 - ~ \$7 Billion market cap
- Canopy Growth Corp
 - NASDAQ: CGC
 - ~ \$10.5 Billion market cap

Patents: Enforcement



US010870632B2

(12) United States Patent Mueller

(10) Patent No.: **US 10,870,632 B2**
(45) Date of Patent: ***Dec. 22, 2020**

(54) **PROCESS FOR PRODUCING AN EXTRACT CONTAINING TETRAHYDROCANNABINOL AND CANNABIDIOL FROM CANNABIS PLANT MATERIAL, AND CANNABIS EXTRACTS**

6,403,126 B1 * 6/2002 Webster A61K 36/00 424
8,227,537 B2 7/2012 Serre et al. A61K 36/00 424
8,895,078 B2 * 11/2014 Mueller A61K 36/00 424

(71) Applicant: **Bionorica Ethics GmbH**, Neumarkt (DE)

(72) Inventor: **Adam Mueller**, Coburg (DE)

(73) Assignee: **BIONORICA ETHICS GMBH**

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 150 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: **14/276,165**

(22) Filed: **May 13, 2014**

(65) **Prior Publication Data**

US 2014/0248379 A1 Sep. 4, 2014

Related U.S. Application Data

(63) Continuation of application No. 10/399,362, filed as application No. PCT/EP01/11967 on Oct. 16, 2001, now Pat. No. 8,895,078.

(30) **Foreign Application Priority Data**

Oct. 17, 2000 (DE) 100 51 427

(51) **Int. Cl.**

A61K 36/00 (2006.01)

C07D 311/80 (2006.01)

A61K 31/35 (2006.01)

A61K 36/185 (2006.01)

(52) **U.S. Cl.**

CPC **C07D 311/80** (2013.01); **A61K 31/35** (2013.01); **A61K 36/185** (2013.01); **Y02P 20/54** (2015.11)

(58) **Field of Classification Search**

None

See application file for complete search history.

(56) **References Cited**

U.S. PATENT DOCUMENTS

FOREIGN PATENT DOCUMENTS

DE 3704850 A1 8/1988
DE 4100441 A1 7/1992
DE 4316620 A1 11/1994
DE 19654945 C2 3/1998
DE 19800330 A1 7/1999
EP 1326598 B1 7/2003
JP 55-45391 3/1980
JP 11-292777 10/1999
WO WO-0025127 A1 5/2000

OTHER PUBLICATIONS

Awasthi et al., "A Review on Supercritical Carbon Dioxide Extraction of Natural Products", Chemical Engineering World, 32: 65-71 (1997).

Nelson, Robert A., "Hemp Husbandry", Chapter 6, Cannabis Chemistry (2000).

"Vascular Plants of Russia and Adjacent Countries", Humulus (1996).
"Vascular Plants of Russia and Adjacent Countries", Cannabis (1996).

Veress, T., "Sample preparation by supercritical fluid extraction for quantification. A model based on the diffusion . . .", Journal of Chromatography A, 668: 285-291 (1994).

West, David P., "Hemp and Marijuana: Myths & Realities", North American Industrial Hemp Council, Inc. (1998).

Tibor, Veress, A szupercritikus fluid extrakcio alkalmazasa igazsagugyi szakertoi vizsgalatokban, Olaj, Szappan, Kosmetika 45: 56-61 (1996).

Korte et al., "New results on hashish-specific constituents," Siep Bulletin on Narcotics, 27: 135-43 (1965).

Ibanez et al., "Supercritical Fluid Extraction and Fractionation of Different Preprocessed Rosemary Plants," Journal of Agriculture and Food Chemistry, vol. 47, 1999, pp. 1400-1404.

Moyler, "Extraction of Essential Oils with Carbon Dioxide," Flavor and Fragrance Journal, vol. 8, 1993, pp. 235-247.

(Continued)

Primary Examiner — Michael Barker

Assistant Examiner — Randall O Winston

(74) Attorney, Agent, or Firm — Sheridan Ross P.C.

(57) **ABSTRACT**

The invention relates to a method for producing an extract from *cannabis* plant matter, containing tetrahydrocannabinol, cannabidiol and optionally the carboxylic acids thereof. According to said method, the dried plant matter is ground

1. A process for producing an extract containing Tetrahydrocannabinol (THC) and/or cannabidiol (CBD), and optionally the carboxylic acids thereof, from a *cannabis* plant material or a primary extract thereof, said process comprising:

- (1) subjecting the *cannabis* plant material or primary extract thereof to CO₂ in liquefied form under subcritical pressure and temperature conditions to extract cannabinoid components; and
- (2) reducing the pressure and/or temperature to separate tetrahydrocannabinol and/or cannabidiol, and optionally the carboxylic acids thereof, from the CO₂.

Related U.S. Application Data

(63) Continuation of application No. 10/399,362, filed as application No. PCT/EP01/11967 on Oct. 16, 2001, now Pat. No. 8,895,078.

(30) **Foreign Application Priority Data**

Oct. 17, 2000 (DE) 100 51 427

Patents: Enforcement

- **Patent quality**

- Validity & Inequitable Conduct Due Diligence
 - Did the USPTO have access to relevant prior art?
- Have NPEs found a new industry?

- **Discovery**

- 5th Amendment-based defenses
 - Entitlement to adverse inferences in Civil litigations?
- Hearsay Exception: Statements Against Interest?
 - FRE 804(b)(3)

- **Damages Considerations**

- Claiming illegal lost profits?
- Claiming a reasonable royalty on illegal sales?

Trademarks: Federal Registration

- **Legal Use in Commerce**
 - Plant-touching commerce?
 - Controlled Substances Act (CSA) compliance.
 - As modified by the farm bill
 - Food Drug and Cosmetics Act (FDCA) compliance.
 - Legal products with a high likelihood of confusion.
 - Fair descriptions of scope to USPTO?
 - Ancillary commerce
 - Legal products that support the cannabis industry
 - Substance agnostic devices (vaporizers)
 - Clothing and other legal brand-building items
- **Safely outside of Virginia R.P.C. 1.2(c)?**

Trademarks: Federal Registration

- **Intent to Use Applications (plant-touching)**
 - *Lawful* cannabis-based products & services
 - Question is not whether goods and services are *legal*, but whether they *exist* (yet).
 - Can intent to legally sell currently illegal products in the future be *bona fide*?
 - *In re JJ206, LLC, dba JuJu Joints*, TTAB (Oct. 27, 2016)
 - Question will survive legalization.
 - *In Re Joy Tea, Inc.* (Ser. No 88640009) (Appeal Pending)
- **Safely outside of Virginia R.P.C. 1.2(c)?**

Trademarks: Litigation

- ***Kiva Health Brands LLC v. Kiva Brands Inc.,***
 - 439 F. Supp. 3d 1185 (N.D. Cal. 2020)
 - Defendant KBI, leading provider of cannabis-infused edibles based in CA (over 1.7 MM units sold in 2018 in CA)
 - Predecessor company sold KIVA cannabis chocolates as early as 2010.
 - Plaintiff KHB, seller of legal health food products
 - Legal commercial use and first TM application filed in 2013
 - Federal TM Registration Acquired in 2014
 - Summary Judgment in favor of KHB regarding prior use defense:
 - Federally illegal sales cannot support a prior use defense.
 - Lanham Act held to preempt KBI's California common law rights.
 - Litigation continues on laches, acquiescence, wavier, and estoppel defenses.

Biography



Larry Sandell
Mei & Mark, LLP

lsandell@meimark.com
202-329-9407

Larry Sandell, a registered patent attorney, focuses his practice on counseling clients on strategic intellectual property matters, drafting and prosecuting patent and trademark applications, litigating patent infringement and other matters in federal district courts and the International Trade Commission, and arguing federal appeals. Larry routinely advises start-ups and other innovative companies on intellectual property matters. He focuses on consumer electronics, medical devices, food science, software, and cannabis technologies.

Larry has argued in the U.S. Courts of Appeal for the Federal Circuit, the Ninth Circuit, and D.C. Circuit. Prior to joining Mei & Mark LLP, he worked as an attorney at the Washington, D.C., office of Finnegan, Henderson, Farabow, Garrett & Dunner LLP.

Disclaimer

These materials are public information and have been prepared solely for educational and entertainment purposes to contribute to the understanding of U.S. intellectual property law. These materials reflect only the personal views of the authors and are not a source of legal advice. It is understood that each case is fact specific, and that the appropriate solution in any case will vary. Therefore, these materials may or may not be relevant to any particular situation. Thus, the authors, Sandell Legal Enterprises, P.C., and Mei & Mark LLP cannot be bound either philosophically or as representatives of their various present and future clients to the comments expressed in these materials. The presentation of these materials does not establish any form of attorney-client relationship. While every attempt was made to ensure that these materials are accurate, errors or omissions may be contained therein, for which any liability is disclaimed.