

## Marijuana Patent Applications Face Tough Road At USPTO

By Ryan Davis

*Law360, New York (January 08, 2015, 2:08 PM ET)* -- The U.S. Patent and Trademark Office has started receiving applications for patents on new types of marijuana plants, and attorneys say that the federal government's classification of the drug as illegal could make obtaining a patent difficult, though nothing in the law expressly bars patent protection for illegal substances.

The patent applications follow recent decisions by voters in Colorado and Washington to legalize the recreational use of marijuana. That appears to have emboldened marijuana entrepreneurs in those states and elsewhere to seek patent protection on strains they have developed, but the U.S. government still classifies the drug as a Schedule I narcotic, the most dangerous type of drug.

The USPTO has not yet decided whether to issue any patents on marijuana plants, but many attorneys say it is unlikely to allow patent protection for a substance the federal government has deemed illegal.

"My first impression is that the patent office is going to say no," said David Resnick of Nixon Peabody LLP. "It's still a federal crime and Schedule I narcotic."

Unless Congress decides to legalize marijuana nationwide, it's likely the patent office will say, "this is illegal under federal law, and we're not going to promote it," Resnick said.

While the U.S. Department of Justice has said it won't challenge the laws legalizing marijuana in Colorado and Washington, "it's another thing for the government to say that they're going to grant patents on it," said John Dragseth of Fish & Richardson PC.

The office might be willing to grant patents "around the edges" of marijuana, such as on a software system for managing marijuana crops, he said, "but I think it would have to be legal under federal law before the patent office is going to allow direct patents on marijuana strains."

However, other attorneys pointed out that simply because something is illegal doesn't make it ineligible for a patent and that patents on marijuana strains may be permissible.

"In terms of morality, I'm not aware of anything in patent law that is going to prohibit this," said Robert Traver of Sheridan Ross PC.

The Trademark Act prohibits trademarks on "immoral or scandalous" material, a standard the USPTO

has invoked to deny trademark applications related to marijuana because it is an illegal drug.

However, the Patent Act does not include any similar restrictions, and Traver noted that the USPTO has issued patents on smoking paraphernalia for which the applications specifically state the inventions are designed to be used in smoking marijuana.

While that isn't the same as a patent on a marijuana plant itself, the USPTO would likely have rejected these paraphernalia patents if it had any firm policy against promoting marijuana use, he said.

Since those patents were allowed, "I think that probably there is a decent prospect the office will in fact issue some patents in this area," he said.

Attorneys representing clients in the marijuana business say they are optimistic that the USPTO will be open to patents on new cannabis strains.

Jeremy Hanika and Anthony Marshall started the firm of Hanika & Marshall LLP in San Francisco three months ago to specialize in representing cannabis breeders and investors in intellectual property matters. They said there are strong arguments that cannabis has beneficial properties and should be made patentable.

The government's classification of marijuana as illegal is based on a determination that it has no accepted medical use. However, the ample scientific research into the drug's medicinal properties that has been conducted should help applicants overcome a patent rejection that cites the federal classification, Marshall said.

"The federal government's policy puts the patent office in a difficult position," he said. "They're caught between the science, which describes some incredible benefits, and the law enforcement side saying it's a Schedule I narcotic."

Hanika said he expects the scientific evidence to sway the USPTO, but he's bracing for a legal fight if the office rejects applications on marijuana patents.

"I do think cannabis plants can be patented, but I don't think it's going to be straightforward and easy," he said. "There will be a fair amount of litigation before we see the first utility patent for a cannabis plant strain."

A rejection by the USPTO of an application for a patent on a marijuana plant, whether it expressly cites the classification of the drug as illegal or just rejects it for claiming patent-ineligible subject or some other reason, is likely to be appealed, putting the issue before the Federal Circuit.

Erich Veitenheimer of Cooley LLP, a former patent examiner who has clients with pending patent applications for breeding and producing specialty cannabis, said the USPTO appears to be treating them the same as any other application.

"I'm not aware of anything at the patent office that would interfere with the ability to patent improved cannabis plants," he said.

He noted that the office has issued patents in the past for chemicals isolated from marijuana plants and that the examiner had to know that those applicants were working with plants that are illegal under

federal law.

There is a chance the increased attention surrounding marijuana legalization could prompt the USPTO to reconsider and decide not allow patents on marijuana, but "I feel very confident unless something changes," Veitenheimer said.

Even if the USPTO decides classification of marijuana as illegal doesn't bar patents on new plants, applicants will still need to show that their claimed strain meets all of the other requirements for obtaining a patent, including that it is new, useful and nonobvious.

It could be difficult to prove that a marijuana plant is patent-eligible given the U.S. Supreme Court decisions in *Myriad* and *Mayo* that natural material is not patent-eligible subject matter, said Douglas Sorocco of Dunlap Coddling. Even a newly developed marijuana strain could be deemed a naturally occurring plant that can't be patented, he said.

"If you look at *Myriad*, that's a template for rejection on statutory subject matter grounds," he said. "That's the path of least resistance."

It is difficult to gauge how the USPTO will decide on marijuana plant patents, since there has never been a precisely analogous situation where a substance is legal in some states, but still technically illegal nationwide.

"It's a maze right now, and no one is able to say what the likely outcome will be," Sorocco said. "But it's probable the USPTO does not want to grant patents on marijuana at this time."

--Editing by Kat Laskowski and Philip Shea.