



Bill Title: Agreements by Licensed Marijuana Businesses--Intellectual Property

Bill Number: ESHB 1794

Effective Date: July 28, 2019

Amends: RCW 69.50.395

Summary

This bill:

- Updates terminology referencing authorized agreements related to licensed marijuana businesses and trademarks to more broadly describe the types of agreements covered and the types of businesses that may be parties to the agreements
- Authorizes licensed marijuana businesses to enter into agreements relating to any goods or services registered as a trademark under another state's law or international trademark law
- Allows agreements between a licensed marijuana business and another person, business, or entity related to trademarked or otherwise protected goods or services to include:
 - A royalty fee or flat rate with the royalty fees being no greater than 10 percent of the licensee's gross sales from the product
 - A flat rate or lump sum
 - Terms giving either party exclusivity related to the use of the intellectual property
 - Quality control standards
 - Enforcement obligations for the licensed marijuana business
 - Covenants to use the licensed intellectual property
 - Assignment of licensor improvements of the intellectual property
- Requires all such agreements to be subject to the LCB's recordkeeping requirements as established in rule
- Eliminates the current requirement that licensees disclose all licensing agreements and consulting contracts

Contact Information:

If you have questions, please contact [Chris Thompson, Director of Legislative Relations](#).