

## Intellectual Property – Brands and Recipes

Marijuana business licensees are permitted to use another company's brand or recipes or both – also known as Intellectual Property – to create and sell marijuana products if the two parties have a licensing agreement approved by the Cannabis Regulatory Agency (Agency). As used in this bulletin, the term “another party” refers to the party licensing its company's brand, recipe, and/or manufacturing techniques, or providing management or other services to the licensee.

### Licensing, management, or other agreements must include:

- All payment terms between the parties. Licensing agreements must also include a requirement that all payments made to the other party pursuant to the licensing agreement must be made by the licensee and not by any other licensee purchasing the marijuana product.
- Terms specifically naming and clearly defining any service to be performed pursuant to the agreement.
- Terms specifically requiring all business operations related to the production, sales, invoicing, and payment for marijuana products sold pursuant to a licensing agreement must be performed by the licensee.
- A statement indicating that the agreement contains the entire agreement of the parties.
- Terms that may indicate the other party meets the definition of applicant and is thereby subject to application requirements, include, but are not limited to, the following:
  - Any term or condition that would allow the other party to exercise control over or participate in the management of the licensee. This does not include control or terms specific to a licensing agreement such as production method or packaging requirements.
  - Any term or condition that would allow the other party to receive more than 10% of the gross or net profit from the licensee during any full or partial calendar or fiscal year.
  - Any term or condition that would result in the other party obtaining an ownership interest in the marijuana business or taking possession or ownership of marijuana product owned by the marijuana business.
  - Any term or condition that would require the licensee to name the other party as a named insured on any insurance policy required to be maintained as a condition of a marijuana license.
  - Any term or condition that would allow the licensee to use an assumed name or doing business as in the operation of the licensee is not operative unless the licensee has complied with the requirements of 1907 PA 101, MCL 445.1 to 445.5.
- The licensee shall provide any other information requested by the Agency that is not inconsistent with the acts and these rules.

Licensees must provide a complete, unredacted, signed copy of the licensing, management, or other agreement to the Agency for review and approval prior to performance under the agreement. Approval by the Agency indicates an Agency determination that it does not appear based on the information provided that the other party meets the definition of “applicant” for the licensed facility/establishment. The Agency makes no representation or opinion as to the legal sufficiency of the agreement. Each party should consult independent legal counsel if questions exist about the terms or legal consequences of entering into a licensing agreement.

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For all licensing agreements entered into by a marijuana business licensee, submit a [Reporting Form - License Maintenance](#) with an executed copy of the agreement via [Accela Citizen Access \(ACA\)](#).

Instructions on how to submit the [Reporting Form](#) can be found [here](#).

The Cannabis Regulatory Agency License Maintenance Section may be contacted via email at [CRA-Amendments@michigan.gov](mailto:CRA-Amendments@michigan.gov) or by phone at 517-284-8599. For more information about the Cannabis Regulatory Agency, please visit [www.michigan.gov/CRA](http://www.michigan.gov/CRA).

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