

**RCW 69.50.395 Licensed cannabis businesses, agreements—**

**Disclosure to state liquor and cannabis board.** (1) A licensed cannabis business may enter into an agreement with any person, business, or other entity for:

(a) Any goods or services that are registered as a trademark under federal law, under chapter 19.77 RCW, or under any other state or international trademark law;

(b) Any unregistered trademark, trade name, or trade dress; or

(c) Any trade secret, technology, or proprietary information used to manufacture a cannabis product or used to provide a service related to any cannabis business.

(2) Any agreements entered into by a licensed cannabis business, as authorized under this section, must be disclosed to the board and may include:

(a) A royalty fee or flat rate calculated based on sales of each product that includes the intellectual property or was manufactured or sold using the licensed intellectual property or service, provided that the royalty fee is no greater than an amount equivalent to ten percent of the licensed cannabis business's gross sales derived from the sale of such product;

(b) A flat rate or lump sum calculated based on time or milestones;

(c) Terms giving either party exclusivity or qualified exclusivity as it relates to use of the intellectual property;

(d) Quality control standards as necessary to protect the integrity of the intellectual property;

(e) Enforcement obligations to be undertaken by the licensed cannabis business;

(f) Covenants to use the licensed intellectual property; and

(g) Assignment of licensor improvements of the intellectual property.

(3) A person, business, or entity that enters into an agreement with a licensed cannabis business, where both parties to the agreement are in compliance with the terms of this section, is exempt from the requirement to qualify for a cannabis business license for purposes of the agreements authorized by subsection (1) of this section.

(4) All agreements entered into by a licensed cannabis business, as authorized by this section, are subject to the board's recordkeeping requirements as established by rule. [2022 c 16 s 83; 2019 c 380 s 1; 2017 c 317 s 16.]

**Intent—Finding—2022 c 16:** See note following RCW 69.50.101.

**Findings—Application—2017 c 317:** See notes following RCW 69.50.325.