

cannabizfile

The Secretary of State's Role in Cannabis Implementation

What is the role of the Secretary of State (SOS) in cannabis implementation? The Secretary of State has two primary roles in the cannabis implementation:

- **Registration of business entities** including change filings thereafter; and
- **Registration of trademarks and service marks** including change filings thereafter.

Registration of Business Filings: While the SOS has many duties, the main function of the SOS as it fits into cannabis implementation is that the SOS is the filing agency for specified business entity documents. These include:

Required Filings: Corporations, limited liability companies, limited partnerships and limited liability partnerships are required to register with the SOS.

Permissive Filings: General partnerships may register with the SOS, if desired.

SOS is the First Stop for Cannabis Business Entities: Those seeking to obtain a license for cannabis activities as any of the above business types will first file business documents with the SOS before applying for any appropriate license(s) with other local and state agencies. To access information regarding forms, samples and fees associated with business filings with the SOS, please visit cannabizfile.sos.ca.gov.

High Volume after January 1, 2018: The SOS anticipates that it will receive a significant increase in business filings as a result of state licenses beginning to be issued in January 2018. The SOS anticipates new formation filings as well as change filings for existing nonprofit corporations that wish to change their business entity type to a for-profit structure, such as a stock corporation or limited liability company.

Helpful Tips: To assist customers and hopefully minimize processing times, the SOS has created additional forms and information for cannabis-related businesses. For example, you may wish to review our 10 Easy Steps to Start a Cannabis Business in California brochure for information on the various steps associated with starting a cannabis business generally and/or our Cannabis Frequently Asked Questions webpage for information such as how to change your nonprofit corporation to a stock corporation or limited liability company.

How can applicants obtain business records and filings online? If you need information about a business that has already been formed or copies of business records that have already been filed for use in your licensing application, this information is available on our Business Search tool. You can find FREE copies of more than 11 million PDF images relating to business registrations, amendments, terminations, and most recent Statements of Information for corporations, limited liability companies and limited partnerships. Additionally, instructions and fees for ordering certified copies of filed documents for all types of business entities of record are available on the Business Entities Records – Order Form (PDF).

New Entity Type Beginning January 1, 2018 (Cannabis Cooperative Associations): The SOS is in the process of developing a form to make it easier for new Cannabis Cooperative Associations to register with the SOS consistent with SB 94 (Committee on Budget and Fiscal Review) (Statutes of 2017, Chapter 27). Based on the wording of the statutes applicable to this entity type, those forming must be currently engaged in the cultivation of cannabis to form. Therefore, we will begin accepting Cannabis Cooperative Association filings after January 1, 2018 under the assumption that no person could be legally engaged in the cultivation of cannabis for profit prior to this time in order to be eligible to form a cannabis cooperative association.

Registration of Trademarks and Service Marks: The SOS also registers trademarks and service marks. Beginning January 1, 2018, customers may register their cannabis-related trademark or service mark with the California Secretary of State's office so long as the mark is lawfully in use in commerce within California and matches the classification of goods and services adopted by the United States Patent and Trademark Office. If the application submitted to register a trademark or service mark is found deficient, the application will be returned to the registrant for correction.

Note: Not all cannabis-related products can be registered under current law due to the inability to meet federal classifications. For further information including forms, fees and registration instructions, please visit the California Secretary of State's Trademark and Service Mark webpage.