

# Joint Venture: Magazines and Marijuana

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AD2

# Cannabis Promotion in Canada:

## Guidance for Magazine Publishers

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# What is the Law?

# General Prohibitions

- Unless otherwise authorized under the Act, it is prohibited to promote cannabis or a cannabis accessory or any service related to cannabis, including
  - a. by communicating information about its price or distribution;
  - b. by doing so in a manner that there are reasonable grounds to believe could be appealing to young persons;
  - c. by means of a testimonial or endorsement, however displayed or communicated;
  - d. by means of the depiction of a person, character or animal, whether real or fictional; or
  - e. by presenting it or any of its brand elements in a manner that associates it or the brand element with, or evokes a positive or negative emotion about or image of, a way of life such as one that includes glamour, recreation, excitement, vitality, risk or daring.

# Publication Prohibition

- Publishers beware!
  - It is prohibited to publish, broadcast or otherwise disseminate, on behalf of another person, with or without consideration, any promotion that is prohibited by the *Act*.

# What Promotions are Allowed? (1)

- **Informational promotion**: A person that is authorized to produce, sell or distribute cannabis may promote cannabis and any person may promote cannabis accessories or services related to cannabis by means of informational promotion or brand preference promotion if the promotion is:
  - a) in a communication **that is addressed and sent to an individual who is 18 years of age or older and is identified by name**;
  - b) in a place where young persons are not permitted by law;
  - c) communicated by means of a telecommunication (**includes the internet**), where the person responsible for the content of the promotion has taken reasonable steps to ensure that the promotion cannot be accessed by a young person;
  - d) in a prescribed place; or
  - e) done in a prescribed manner.

# What Promotions are Allowed? (2)

- **Displaying brand element on other things**: A person may promote cannabis, a cannabis accessory or a service related to cannabis by displaying **a brand element** of cannabis, cannabis accessory or a service related to cannabis **on a thing that is not cannabis or a cannabis accessory**, other than:
  - a) a thing that is associated with young persons;
  - b) a thing that there are reasonable grounds to believe could be appealing to young persons; or
  - c) a thing that is associated with a way of life such as one that includes glamour, recreation, excitement, vitality, risk or daring.

# What Promotions are Allowed? (3)

- Intra-industry promotion: A person may engage in certain categories of intra-industry promotion provided that the promotion is not directed, either directly or indirectly, at consumers. The prohibitions against cannabis promotion will not apply to:
  - A promotion, by a person that is authorized to produce, sell or distribute cannabis, that is directed at any person that is authorized to produce, sell or distribute cannabis, but not, either directly or indirectly, at consumers; or
  - A promotion, by a person that sells or distributes cannabis accessories or that provides a service related to cannabis, that is directed at any person that sells or distributes cannabis accessories, at any person that is authorized to produce, sell or distribute cannabis, but not, either directly or indirectly, at consumers.



# Cannabis Promotions in Magazines (1)

Things to consider:

- Publishing Prohibition (Section 23(1))
  - By including an advertisement that does not comply with the *Act*, your publication may be offside of the legislation.
- Age Restrictions
  - Magazines sold in public (probably a no-go)
  - Magazines sold via subscription (may be okay, but what if they are intercepted by underage individuals?)

# Cannabis Promotions in Magazines (2)

Things to consider (con't):

– Lifestyle Prohibitions

- Apply to indirect advertising, which raises the question: Is a promotion offside of the legislation simply by being in a magazine whose subject matter or content may be considered to evoke these emotions or way of life?

– Intra-industry Exception and B2B Publications

- If a B2B cannabis magazine wants to include an advertisement for cannabis it must be directed only to persons who are authorized to produce, sell or distribute cannabis. Similarly, an advertisement for cannabis accessories or services must be directed only to persons involved in the sale and distribution of cannabis accessories, or who are authorized to produce, sell or distribute cannabis. **The advertisement cannot be directed at consumers, either directly or indirectly.**
- In assessing the context of the advertisement and the audience of the magazine, the following factors should be taken in to consideration: how the magazine is distributed; the kind of articles published in the magazine; and the magazine's readership.

# Cannabis Promotions in Magazines (3)

Things to consider (con't):

– Intra-industry Exception and B2B Publications

- To rely on this exception, advertisement for cannabis and cannabis services and accessories must be directed only to:
  - persons who are authorized to produce, sell or distribute cannabis;
  - persons involved in the sale and distribution of cannabis accessories, or who are authorized to produce, sell or distribute cannabis (respectively).
- Such an advertisement cannot be directed at consumers, either directly or **indirectly**. This requires a knowledge of who your subscribers are and a contextual analysis of each advertisement.
- In assessing the context of the advertisement and the audience of the magazine, the following factors should be taken in to consideration: how the magazine is distributed; the kind of articles published in the magazine; and the magazine's readership. **The main question is whether or not the advertisement or magazine could be viewed as consumer facing in any way.**

# Grow Opportunity: Brand Extension

- Online
  - weekly e-newsletter
- Media sponsorship/partnership
  - O’Cannabiz
  - Grow Up conference

# Annex Business Media



- Headquarters in Simcoe, Ontario, with offices in Toronto
- Largest privately owned B2B publisher in Canada
- More than 65 titles, covering a vast array of Canadian industries

# Grow Opportunity

- Launched in fall of 2017 by Annex Business Media – after the Liberal government announced a path for legalization of recreational marijuana
- Published 6 times a year
- Resource for Canadian licensed producers / focused on the business of growing



# Grow Opportunity

- Target audience: master growers/cultivators, licensed producers, license applicants
- Advertisers: suppliers and service providers for cannabis producers
- Content: cultivation, production, security, extraction, processing, business management



# Covering cannabis

## Grow Opportunity

Mari-Len De Guzman



# Grow Opportunity: Brand Extension

- Events
  - Grower Day conference
    - Held in St. Catharines, Ontario
    - In collaboration with sister pubs: Greenhouse Canada, Canadian Security, Canadian Packaging
  - Canada's Top Growers
    - Recognizing exceptional cannabis growers
    - Online nomination
    - Judging panel
    - Winners featured in September/October issue

**Thank you**