

European Union High Court Ruling Expands European CBD Market

On November 19, 2020, the Court of Justice for the European Union determined cannabidiol (CBD) derived from the entire cannabis plant is a lawful product, greatly expanding opportunities for CBD production and sales in the European Union.

The Court's decision stems from a challenge to France's prosecution of a Czech company that marketed CBD oil extracted from the entire cannabis plant in France. Under French law, companies can only sell fiber and seeds from the cannabis plant that contain less than 0.2% of Delta-9 Tetrahydrocannabinol (THC), the psychoactive compound found in cannabis. When THC is ingested at certain levels, it can create a "high" sensation.

The Court ruled that France's ban on CBD products derived from the entire cannabis plant was an unnecessary restriction on the free movement of goods in the European Union because CBD does not pose a threat to human health. Specifically, CBD derived from the entire cannabis plant is not a narcotic drug as defined by the 1961 U.N. Single Convention on Narcotic Drugs. Thus, one European Union member state cannot prohibit the marketing of CBD lawfully extracted from the entire cannabis plant in another member state.

The Court's decision is a dramatic shift in the European CBD market. Prior to this decision, European countries instated a patchwork of laws and policies surrounding commercial CBD production, marketing and sales. The Court's decision introduces a more unified definition of CBD and opens up the possibility of establishing a more robust CBD supply chain across Europe.

If you have questions about the interim final rule and the impact it may have on your business, contact [Jessica Huston Polakowski](#), [Shannon Toole](#) or any Reinhart attorney in our [Cannabis Law Group](#).

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