

Cannabis-Related Trademarks

By Suzanne K. Ketler, Ph.D.

In recent years, it has been difficult for cannabis companies to develop and protect consistent and comprehensive brands on a nationwide basis, due to the U.S. Patent & Trademark Office's ("USPTO's") refusal of federal registration for trademarks used on, or in connection with, cannabis and most cannabis related goods and services. This is due to the legal requirement that, in order to obtain registration, use of a mark in commerce must be lawful under **federal** law, regardless of the legality of such use under applicable state law. This disparity between federal and state law in states where cannabis is legal has left cannabis companies without the ability to fully enforce their brands. That is all about to change with the USPTO's new trademark examination guidelines issued on May 2, 2019. These new guidelines modify and clarify USPTO procedure for examining trademarks identified for use with cannabis, cannabis-derived goods, and cannabis-related services pursuant to the Agriculture Improvement Act of 2018 (the "2018 Farm Bill").

The current basis for the USPTO's refusal of cannabis-related trademarks is the Controlled Substances Act (the "CSA"). The CSA prohibits the manufacture, distribution, dispensing, and possession of controlled substances, including marijuana, and cannabidiol ("CBD") is encompassed within the CSA's definition of marijuana. Up until now, the USPTO has refused registration of trademarks where applications identify goods that include CBD or other extracts of marijuana, because such goods are defined as marijuana – and thus are unlawful – under the CSA and, as such, they do not constitute valid and lawful use of the applied-for mark in commerce.

The 2018 Farm Bill, signed into law on December 20, 2018, has altered federal authority relating to some cannabis and cannabis-derived goods. In short, the 2018 Farm Bill effectively removes "hemp" and other cannabis derivatives and extracts, including CBD, with a THC concentration of not more than 0.3% on a dry weight basis, from the definition of "controlled substances" under the CSA. This change brings certain cannabis-derived goods into the purview of use in commerce that is lawful under federal law. Going forward, this change will allow for federal registration of trademarks used with cannabis and cannabis-derived goods that are permissible under the 2018 Farm Bill.

The new guidelines require cannabis companies to take advantage of one of the following options in order to register their cannabis-related trademarks:

- For new trademark applications or those filed **on or after December 20, 2018**: The trademark applicant must simply define or amend the identified cannabis or cannabis-derived goods to specify that they contain less than 0.3% THC in order to limit the scope of the resulting registration to goods that comply with federal law.
- For trademark applications filed **before December 20, 2018**: The trademark applicant must amend its application filing date to December 20, 2018, and must also amend its identified cannabis or cannabis-derived goods to specify that they contain less than 0.3% THC. Once the applicant does so, the USPTO examining attorney will conduct new searches to check for conflicting marks based upon the newly-amended later application filing date. Alternatively, such trademark applicants may decide to allow their applications to lapse, and may instead simply re-

file a new application with a post-2018 Farm Bill filing date and with goods specified as required under the 2018 Farm Bill.

Finally, trademark owners should note that some limitations and restrictions for federal registration of trademarks for use with cannabis, cannabis-derived goods, and cannabis-related services still remain. For instance, for applications identifying cannabis cultivation or production services involving cannabis which contains less than 0.3% THC (defined as “hemp” under the 2018 Farm Bill), the USPTO will also require that such trademark applicants provide their state-level authorization or certification to produce such hemp. In addition, trademark owners in this industry should remain aware that, even if the goods identified in their trademark applications are legal under the CSA and the 2018 Farm Bill, they may still be barred by other laws. In particular, the Federal Food Drug and Cosmetic Act (“FDCA”) may still bar food, beverage, dietary supplements, and pet treats that contain cannabis derivatives and extracts that are otherwise legal, as the 2018 Farm Bill explicitly preserved the Food and Drug Administration’s authority to regulate and control such products. The new guidelines will not assist those seeking trademark registration in connection with cannabis or cannabis-derived goods containing a THC concentration higher than 0.3%, as these will still be considered “controlled substances” under the CSA, and thus trademarks for use with these types of goods will still be refused U.S. registration under the new guidelines.

If you have any questions about this topic, please contact one of the listed Roetzel attorneys.

Lewis Adkins, Jr.

Practice Group Manager
Public Law, Regulatory and Finance
216.615.4842 | ladkins@ralaw.com

Melissa R. Hoeffel

614.723.2070 | mhoeffel@ralaw.com

Suzanne K. Ketler, Ph.D.

330.849.6641 | sketler@ralaw.com

Terrence H. Link, II

330.849.6755 | tlink@ralaw.com

Jessica Lopez

330.849.6778 | jlopez@ralaw.com

Joseph M. Ruscak

330.849.6716 | jruscak@ralaw.com

Madison Lisotto Whalen

614.723.2025 | mwhalen@ralaw.com

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