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What You Need to Know – How Trademarks Related to Cannabis Can be Protected

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Suppose that you want to federally register a trademark that identifies a source of goods or services
related to your cannabis business. What if the trademark covers merchandise indirectly related to cannabis or products directly related to the use of cannabis?

Should you attempt to register your trademark with the U.S. Patent and Trademark Office (USPTO)? Can you obtain a registration from the U.S. Patent and Trademark Office? The answer depends on the cannabis related goods and services.

To qualify for a federal trademark registration, the use of a mark in commerce must be “lawful”.

The federal Controlled Substance Act (CSA), prohibits, among other things, manufacturing, distributing, dispensing, or possessing certain controlled substances, including marijuana and marijuana-based preparations. In addition, the CSA makes it unlawful to sell, offer for sale, or use any facility of interstate commerce to transport drug paraphernalia.

In the recent case of In re Morgan Brown, Morgan Brown sought to federally register the mark HERBAL ACCESS for retail store services featuring herbs. The USPTO denied registration for the mark based on a two-part test by finding that a violation of federal law is indicated by the application record or other evidence – or – when the applicant’s application-relevant activities involve a per se violation of federal law.

Brown appealed to the Trademark Trial and Appeal Board (TTAB). During examination of the application, the trademark examining attorney refused registration of Brown’s mark because the herbs offered for sale in Brown’s retail store included marijuana, a substance that cannot be lawfully distributed or dispensed under the CSA.

The TTAB held that it was entirely proper for the trademark examining attorney to look at evidence, such as the specimen of use and website, to ascertain that the word “herbs” in the description of services encompassed marijuana.

The TTAB also held that the specimen and the webpage, taken together, support the conclusion that Brown is engaged in the provision of marijuana via the retail services provided at the facility shown in the specimen and advertised on the website. The TTAB stated that the fact that the provision of a product or service that may be lawful within a state is irrelevant to the question of federal registration when it is unlawful under federal law.

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The TTAB concluded that Brown’s services included the provision of an illegal substance, i.e., marijuana, in violation of the federal CSA, and Brown’s use of HERBAL ACCESS as evidenced by the record included unlawful activity under the CSA.

What if your trademark is for goods or services under a cannabis brand which are not directly illegal (e.g., clothing)? Should you still file an application for federal trademark registration?

Because of In re Morgan Brown, it must be clear from the application and other evidence such as a website that the goods or services are indirectly related to cannabis and would be a lawful use in commerce. The USPTO will continue to examine applications related to lawful use in commerce and will probably issue an Office Action inquiring into applicant’s activities as to whether they are lawful or violate the CSA.

If the goods are that of clothing, they will not violate the CSA and registration will be available. If the goods specifically cover cannabis or related products to the use of cannabis, they will violate the CSA and federal registration will not be available.

Since trademarks can be denied federal registration based on unlawful use in commerce, is there another way to protect your trademark?

Several states have approved legal medical or recreational cannabis. As a result, there are trademark opportunities available at the state level.

In fact, some states in which cannabis is legal do allow for a state trademark registration. For example, Michigan, Washington, Oregon, and Colorado allow state trademark registrations for marijuana-related goods. Therefore, if you are doing business in one of these states, you should file a state trademark registration and obtain your registration on a state level.

However, what if your state does not allow for state trademark registration for cannabis related marks? What other forms of trademark protection are there?
In the United States, common law trademark rights can be obtained based on the geographical extent of your use of the mark regarding the goods and services. To acquire common law trademark rights, there is no lawful use requirement and the trademark does not have to be used in interstate commerce.

Common law trademark rights can be enforced against third party infringers under state law or under Section 43(a) of the Lanham Act. Under Section 43(a), unregistered or common law marks can be enforced by bringing an infringement action in federal court. Section 43(a) does not expressly state or imply that there is a lawful use requirement in commerce. As such, you can obtain common law trademarks rights based on use and enforce them if there are infringers.

Conclusion

Cannabis brand trademarks can be federally registered depending on the goods and services. If your goods and services are indirectly related to cannabis, you can obtain a registration from the USPTO. If your goods and services are directly related to cannabis, you may be able to obtain a state trademark registration if your state is one that allows medical or recreational cannabis.

However, if you live in a state that does not allow for state trademark registration for cannabis related marks, you can acquire common law trademark rights based on your use, and enforce them against infringers in either state or federal court. Therefore, it is recommended that you register your trademark rights, if possible, with the USPTO and the state in which you live, if permitted.

About The Author:

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Bliss focuses his practice on all phases of intellectual property litigation. Bliss is a business attorney with extensive background and expertise in all phases of intellectual property law, including patents and copyrights. He has worked with dozens domestic and multi-national companies in obtaining, managing, evaluating and licensing intellectual property. Bliss can be reached at dbliss@howardandhoward.com and 218-723-0389.
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