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Can Trademarks Related to Cannabis 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? Can you obtain a registration from the U.S. Patent and Trademark Office? The answer is it 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". *See, The John W. Carson Found. V. Toilets.com, Inc.*, 94 U.S.P.Q.2d 1942, 1947-48 (T.T.A.B. 2010); *In re Midwest Tennis & Track Co.*, 29 U.S.P.Q.2d 1386 (T.T.A.B. 1993); *In re Stellar Int'l, Inc.*, 159 U.S.P.Q. 48, 50-51 (T.T.A.B. 1968).

The federal Controlled Substance Act (CSA), 21 U.S.C. §§ 812, 841(a)(1) 844(a), prohibits, among other things, manufacturing, distributing, dispensing, or possessing certain controlled substances, including marijuana an 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 (*i.e.*, "any equipment, product, or material of any kind which is primarily intended or designed for use in manufacturing, compounding, converting, concealing, producing, possessing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance, possession of which is unlawful under [the CSA].") 21 U.S.C. § 863.

In the recent case of *In re Morgan Brown*, 119 U.S.P.Q.2d1350 (T.T.A.B. 2016), Morgan Brown sought to federally register the mark HERBAL ACCESS for retail store services featuring herbs. The U.S. Patent and Trademark Office 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 that when the applicant's application-relevant activities involve a *per se* violation of federal law. *See Kellogg Co. v. New Generation Foods Inc.,* 6 U.S.P.Q.2d 2045, 2047 (T.T.A.B. 1988). Brown appealed to the Trademark Trial and Appeal Board (T.T.A.B.). During examination of the application, the Trademark Examining Attorney refused registration of Brown's mark on the grounds that 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 T.T.A.B. 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 T.T.A.B. 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 T.T.A.B. stated that the fact that the provision of a product or service may be lawful within a state is irrelevant to the question of federal registration when it is unlawful under federal law. The T.T.A.B. 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 U.S. Patent and Trademark Office (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 in connection with 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.

Thus, 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 U.S. Patent and Trademark Office. 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 United States Patent and Trademark Office and the state in which you live, if permitted.

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