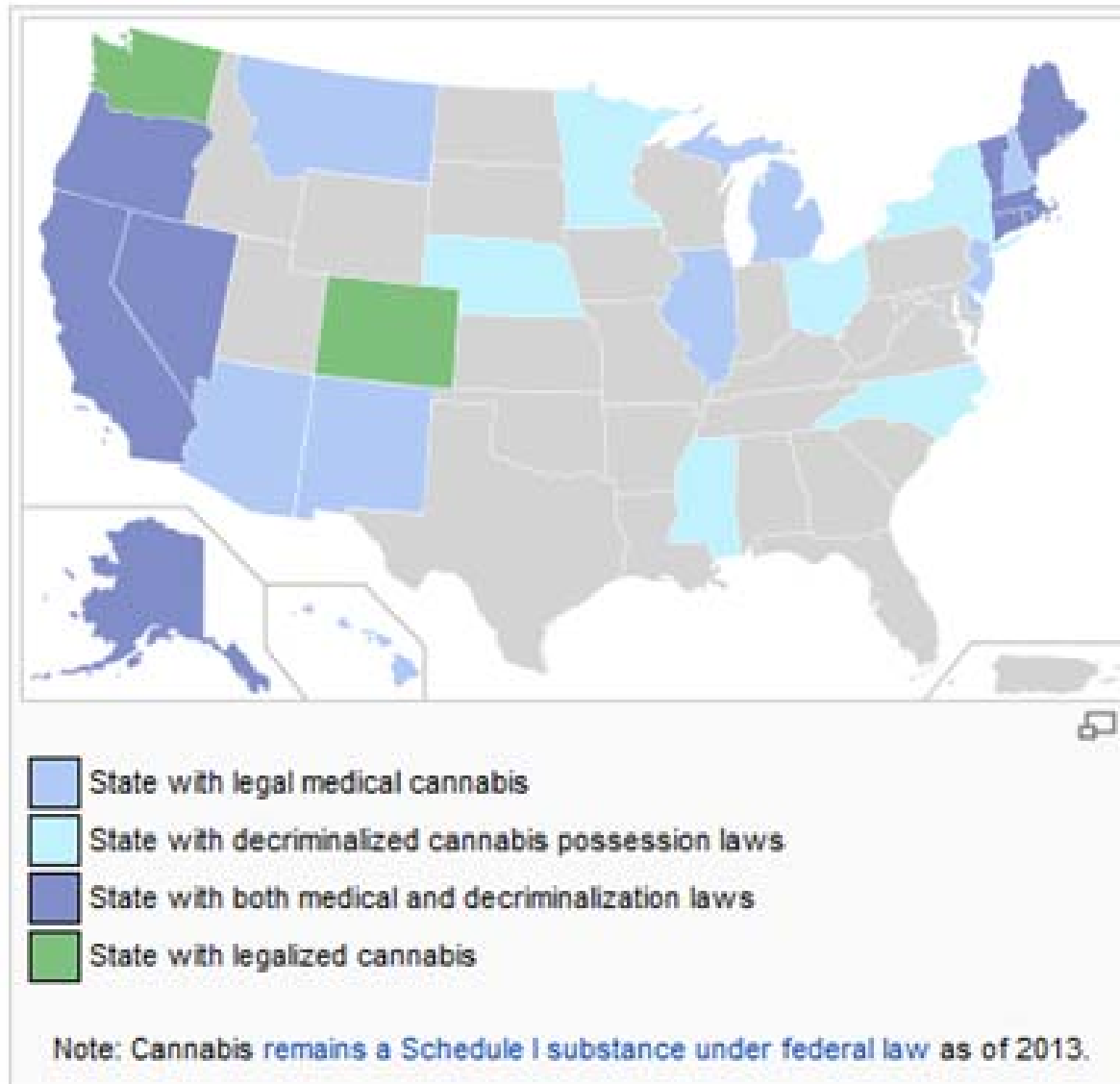

Protecting Your Client's Marijuana Trademark

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Current legal landscape



Current legal landscape

- 20 states and District of Columbia allow some medical marijuana
- 14 states have taken steps to decriminalize marijuana
- 2 states (WA and CO) have legalized non-medical use
- Federal law makes it illegal to possess, use, buy, sell, or cultivate

Marijuana defined for TM purposes

- Includes:
 - Marijuana/cannabis
 - Goods containing marijuana/cannabis, *e.g.*, baked goods, drinks, butter, and other “infused” edibles
 - Oils, resins, balms
 - Plants, seeds
- Does not include hemp (unless hemp contains THC)
 - Textiles and edibles registrable

Marijuana trademarks in context

- Mostly, a marijuana trademark is like any other trademark
 - It is a brand name
 - Tells consumers that the good/service comes from a particular source
 - A word, name, symbol, device, or other designation, or a combination of such designations, that is used in commerce in a manner that distinguishes the goods or services of its owner from those of others
 - Lanham Act § 45 (15 U.S.C. § 1127)

Selecting a marijuana trademark

- “Offensive” considerations
 - Protectable trademark that serves the source-identifying function
 - Keep competitor marks away
 - “Likelihood of confusion” standard
 - Maximize rights
- “Defensive” considerations
 - Don’t want to infringe third-party rights
 - Based on likelihood of confusion

Spectrum of distinctiveness

Inherently Distinctive		Not Inherently Distinctive	No Distinctiveness
No Secondary Meaning Required		Secondary Meaning Required	No Trademark Significance
Arbitrary And Fanciful	Suggestive	Descriptive, Geographic, Personal Name	Generic
PRIMORA	GREENZ DIRECT	COLORADO BUDS	MEDICAL GRADE MARIJUANA

Benefits of federal registration

- Presumption of being exclusive nationwide user of the trademark for specified goods
- Clarifies who owns the mark
- PTO will deny subsequent applications for registration based on likelihood of confusion
- Authorizes use of ®

The forthright application for federal registration

TSDR

ASSIGN Status

TTAB Status

(Use the "Back" button of the Internet Browser to return to TESS)

Washington's Finest Cannabis

Word Mark	WASHINGTON'S FINEST CANNABIS
Goods and Services	IC 001. US 001 005 006 010 026 046. G & S: Marijuana, Marijuana Infused Products, Cannabis, Cannabis Infused Products
Standard Characters Claimed	
Mark Drawing Code	(4) STANDARD CHARACTER MARK
Serial Number	86054742
Filing Date	September 3, 2013
Current Basis	1B
Original Filing Basis	1B
Owner	(APPLICANT) Oliver, Kevin Antone INDIVIDUAL UNITED STATES 27315 N. Monroe Rd. Deer Park WASHINGTON 99006
Type of Mark	TRADEMARK
Register	PRINCIPAL
Live/Dead Indicator	LIVE

The PTO's forthright response

SECTIONS 1 AND 45 REFUSAL – NOT IN LAWFUL USE IN COMMERCE

Registration is refused because applicant does not have a bona fide intention to lawfully use the applied-for mark in commerce. Trademark Act Sections 1 and 45, 15 U.S.C. §§1051, 1127; see *John W. Carson Found. v. Toilets.com Inc.*, 94 USPQ2d 1942, 1948 (TTAB 2010); TMEP §907.

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

The Controlled Substances Act (CSA) prohibits, among other things, manufacturing, distributing, dispensing, or possessing certain controlled substances, including marijuana and marijuana-based preparations. 21 U.S.C. §§812, 841(a)(1), 844(a); see also 21 U.S.C. §802(16) (defining "[marijuana]"). 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, processing, preparing, 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.

Lawful use requirement

- Section 1 of the Lanham Act
 - “The owner of a trademark used in commerce may request registration of its trademark...”
- Section 45
 - “The word ‘commerce’ means all commerce which may lawfully be regulated by Congress.”
 - Doesn’t matter if marijuana is lawfully regulated by the states

ID Manual entry?

- Class 005: “Processed plant matter for medicinal purposes, namely medical marijuana”
- Yes, for two months in 2010
- Then deleted as a “mistake”

ID Manual entry?

Re: Trademark Application Serial No 85049737
Applicant: Scott Riddell
Mark: PURPLE HAZE

Dear Mr. Gile:

On May 27, 2010, you filed the above-mentioned trademark application in the United States Patent and Trademark Office (Office) for “Processed plant matter for medicinal purposes, namely, medical marijuana” in Class(es) 5.

During the timeframe in which your application was filed, the Office’s *Acceptable Identification of Goods and Services Manual* (ID Manual) mistakenly included entries for certain medical marijuana-related goods and services, and these entries were subsequently removed because they did not reflect goods and services that may be in lawful use in commerce.

The Office also has determined that under federal law, your identified goods/services appear to be illegal, or to potentially encompass illegal goods/services. *See* The Controlled Substances Act (CSA),

However, in view of the mistaken ID Manual entries, which may have led you to mistakenly believe that your goods/services would be deemed acceptable without further inquiry, the Office will refund your application filing fee if you no longer wish to pursue the application. If you would like such a refund as a

ID Manual entry?

- 2014 follow-up suggestion:
Add legal marijuana goods and services to the PTO's ID Manual?

Class 005: Prescription and non-prescription medicine, namely marijuana or cannabis

Class 035: Retail store services in the field of marijuana or cannabis

ID Manual entry?

From: TM IDSUGGEST [mailto:TMIDSUGGEST@USPTO.GOV]

Sent: Tuesday, February 11, 2014 8:12 PM

To:

Subject: RE: Proposals for Identification Manual

Thank you for your suggestion. After careful consideration, the proposed description will not be added to the ID Manual because it may necessitate an inquiry regarding lawful use in commerce, please see TMEP §907. Entries in the ID Manual, with supporting specimens, are intended to be acceptable without further inquiry.

MARIJUANA as a trademark for *any* goods?

- MARIJUANA for teas and energy drinks
- 4 office action objections over 3 years
 - Merely descriptive (Section 2(e)(1)) if beverage contains marijuana (in addition to being unlawful)
 - Deceptive (Section 2(a)) if beverage does not contain marijuana
 - Deceptively misdescriptive (Section 2(e)(1))
 - Immoral or scandalous (Section 2(a))
- Application abandoned

MARIJUANA shocks the sense of truth, decency, and propriety*

Registration Refused – Mark Comprises Immoral or Scandalous Matter

Registration is refused because the proposed mark consists of or comprises immoral or scandalous matter. Trademark Act Section 2(a), 15 U.S.C. §1052(a); TMEP §1203.01.

To be considered “scandalous,” a mark must be “shocking to the sense of truth, decency or propriety; disgraceful; offensive; disreputable; ... giving offense to the conscience or moral feelings; ... [or] calling out for condemnation,” in the context of the marketplace as applied to goods or services described in the application. *In re Mavety Media Group Ltd.*, 33 F.3d 1367, 1371, 31 USPQ2d 1923, 1925 (Fed. Cir. 1994); *In re Wilcher Corp.*, 40 USPQ2d 1929, 1930 (TTAB 1996).

Scandalousness is determined from the standpoint of “not necessarily a majority, but a substantial composite of the general public, ... and in the context of contemporary attitudes.” *Id.*

In the present case, the proposed mark consists of the wording MARIJUANA for beverages. According to the attached evidence from the Internet, including dictionary and encyclopedic extracts, the term MARIJUANA refers to an illicit drug that is associated with illegal behavior and adverse health consequences. The proposed mark is therefore immoral or scandalous and thus unregistrable.

*According to the USPTO

To get federal registration, applicants must be cagey

Leverage “likelihood of confusion” standard to gain protection over marijuana uses through legal goods/services:

- Baked goods
- Hookah lounges
- Clothing
- Glass jars
- Smoking accessories
- Wellness services
- Educational services

But don't be too cagey

- MaryJane Hemp Foods LLC
- Applies to register:



For "Dietary food supplements containing hemp"

The PTO's response to the application that's too cagey

Finally, applicant must provide written responses to the following questions:

- "Do applicant's identified goods include marijuana, marijuana-based preparations, or marijuana extracts or derivatives, synthetic marijuana, or any other illegal controlled substances?;"
- "Do applicant's identified goods contain THC?;"
- "Are the applicant's goods lawful pursuant to the Controlled Substances Act?"

Failure to satisfactorily respond to a requirement for information is a ground for refusing registration. *See In re Cheezwhse.com, Inc.*, 85 USPQ2d 1917, 1919 (TTAB 2008); *In re Garden of Eatin' Inc.*, 216 USPQ 355, 357 (TTAB 1982); TMEP §814. Please note that merely stating that information about the goods is available on applicant's website is an inappropriate response to the above requirement and is insufficient to make the relevant information properly of record. *See In re Planalytics, Inc.*, 70 USPQ2d 1453, 1457-58 (TTAB 2004).

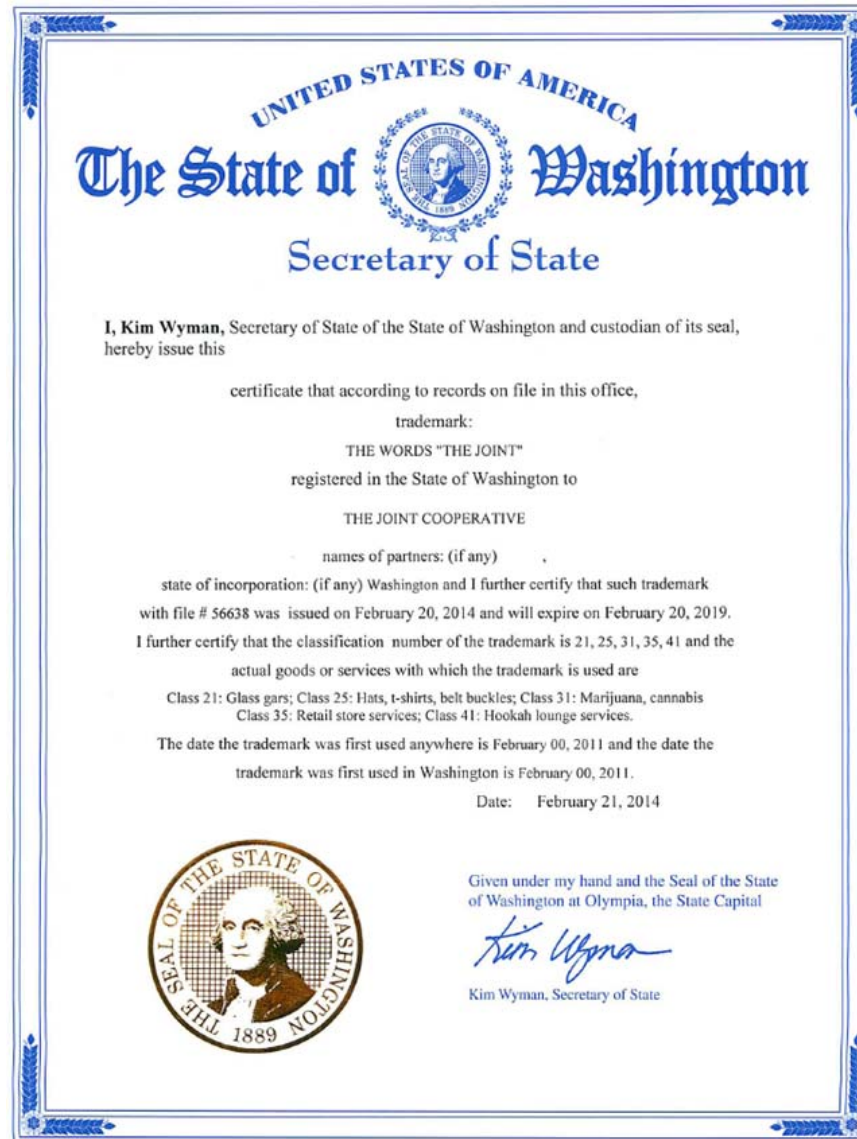
Applicant is advised that, upon consideration of the information provided by applicant in response to the above requirement, registration of the applied-for mark may be refused on the ground that the mark, as used in connection with the identified goods, is not in lawful use in commerce. Trademark Act Sections 1 and 45, 15 U.S.C. §§1051, 1127.

Registration issues only after satisfactory response

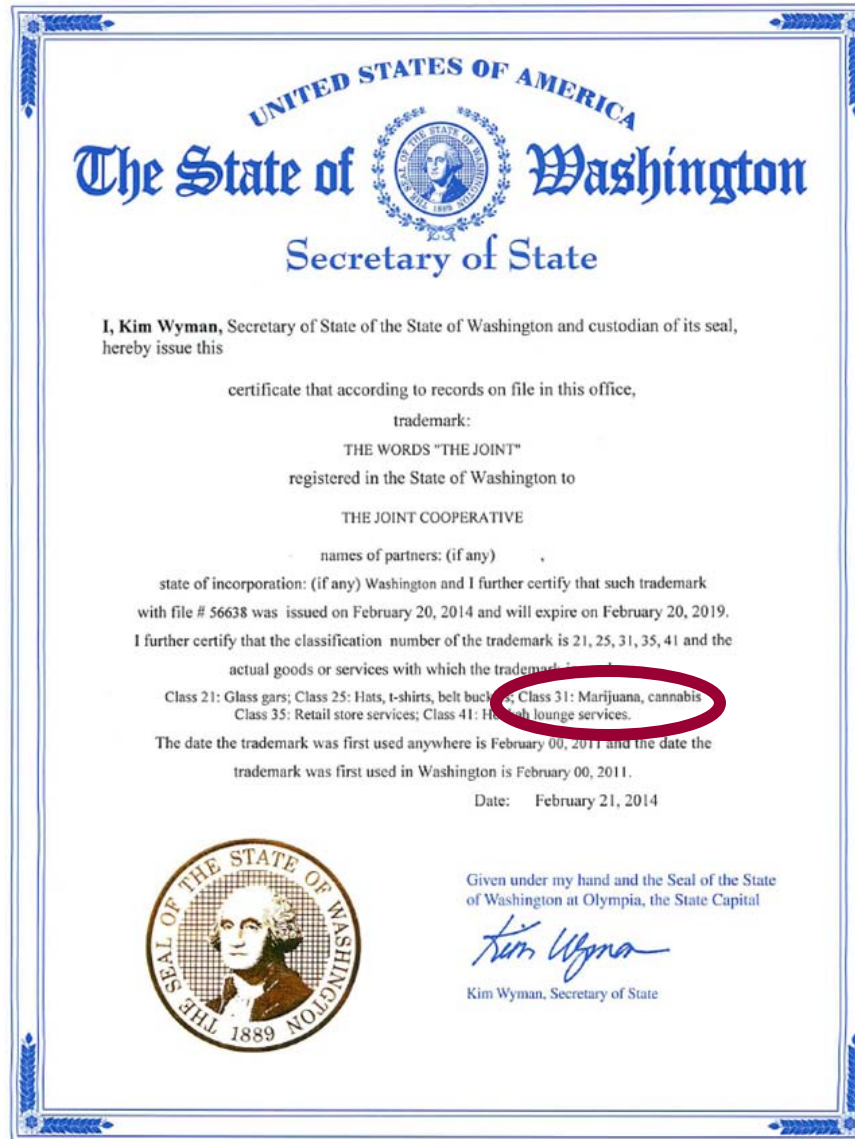
Response to **ADDITIONAL INFORMATION REQUIRED:**

The goods identified in the application comply with the Controlled Substances Act (CSA), 21 U.S.C. §§801-971. The answer to the following question is NO. "Do applicant's identified goods include or contain marijuana, marijuana-based preparations, marijuana extracts or derivatives or any other illegal controlled substance?" The MaryJane Hemp Foods brand consists of goods derived from legal, sterile hemp seeds.

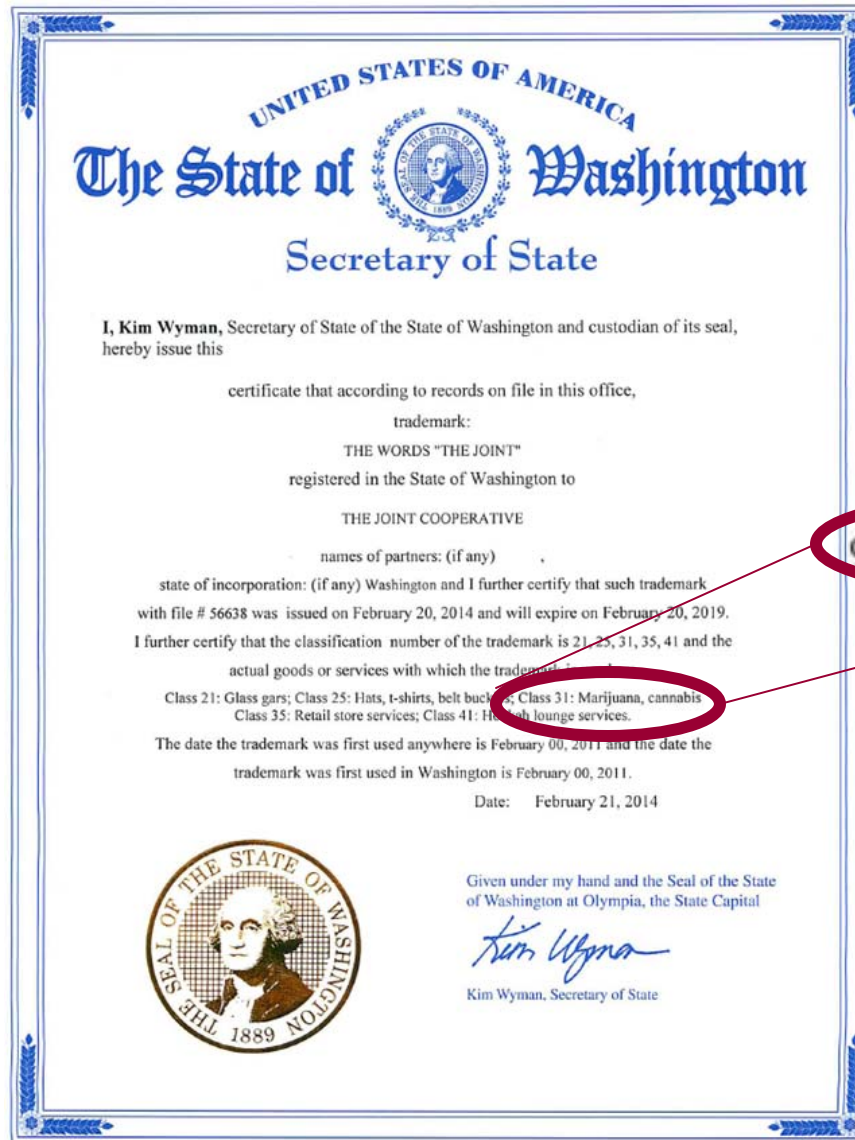
Of course, marijuana is now legal in Washington...



Of course, marijuana is now legal in Washington...



Of course, marijuana is now legal in Washington...



Benefits of state registration

- Expands common law rights statewide
- Identifies the owner
- Lower threshold for attorney's fees awards than federal threshold
- It's quick (7-10 days if expedited)
- It's cheap (\$55 + \$50 if expedited)
- Better than no registration (particularly in WA and CO)

New issue for the Trademark Trial and Appeal Board

- Standing granted to any person who would be “damaged” by registration
 - Includes unregistered uses
 - Includes purely local uses
- So can marijuana provider (legal in WA, but illegal under federal law) succeed in a TTAB proceeding based on its prior rights in WA and a likelihood of confusion?

Best practices to maximize rights

- Federal registration for federally lawful goods and services
- Washington state registration for marijuana goods and services
- Registrations for legal goods/services in foreign jurisdictions
 - Other states (*e.g.*, Colorado), other countries
 - Registrations may not require prior use

Traps to avoid

- Don't select a generic or descriptive trademark
- Don't infringe third party trademarks
 - Both marijuana and non-marijuana marks
- Don't dilute famous trademarks
 - Standard is likelihood of dilution by blurring or tarnishment (*e.g.*, MICROPUFF)
- Don't violate personality rights statutes (*e.g.*, CHARLIE SHEEN)

Be mindful of what you sign

- Federal trademark applications

Declaration

The undersigned, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. Section 1001, and that such willful false statements, and the like, may jeopardize the validity of the application or any resulting registration, declares that he/she is properly authorized to execute this application on behalf of the applicant; he/she believes the applicant to be the owner of the trademark/service mark sought to be registered, or, if the application is being filed under 15 U.S.C. Section 1051(b), he/she believes applicant to be entitled to use such mark in commerce; to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive; and that all statements made of his/her own knowledge are true; and that all statements made on information and belief are believed to be true.

Be mindful of what you sign

- State trademark applications

SECTION 6

SIGNATURE OF OWNER OR AUTHORIZED REPRESENTATIVE

Applicant is the owner of and is now using the trademark identified above; I believe no other individual or entity has the right to use such trademark in connection with the same or similar goods or services in this state either in identical form or in such a near manner as might be mistaken therefore.

X _____

Signature

Printed Name & Title

Date

Phone Number

Questions?

Thank you!

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