

High Hopes Dashed — Challenges in Protecting Trademarks for Marijuana-Related Products and Services

Description

BluHawaii. Purple Kush. Willie's Reserve. Kiva. California Finest. Altai. Are these the names of new beverages? To the contrary, these are some brand names for competing strains of marijuana.

Legalized marijuana sales in the United States exceeded \$5.8 billion in 2016, and the market is predicted to grow to over \$21 billion by 2020. Like other industries, businesses selling marijuana-related products are turning to branding and marketing to help distinguish their products and services from those of their competitors, and to build brand loyalty and credibility.

However, marijuana businesses face a problem that most other retail businesses do not encounter. Federal trademark law prohibits them from registering their brands as trademarks and obtaining the benefits that a U.S. trademark registration confers on its owner.

The federal trademark law requires that a company use its mark in commerce before it can be registered. To date, however, the courts and the U.S. Patent and Trademark Office have interpreted "use in commerce" to require **lawful** use in commerce. Marijuana use is legal in at least 28 states, but buying, selling or possessing marijuana is still illegal (whether for medicinal or recreational use) under the federal Controlled Substances Act. As a result, the USPTO has refused consistently to register trademarks for marijuana and related products that federal law prohibits.

This does not mean that all hopes for obtaining brand protection are lost. There are strategies that companies providing marijuana products and services can utilize in order to get some protection for their brands. These strategies include:

- **Rely on state registrations.** If the business is only contemplating selling products or providing services in states where it is legal to do so, filing a trademark application at the state level is an option. A state registration typically provides protection only within the geographic boundaries of a state, so businesses that provide goods and services across state lines may need to file multiple state registrations. These registrations do not carry the presumptions and nationwide benefits of a federal registration, but can be useful within a state's borders.
- **Cover Related Goods and Services.** Although a business may not be able to obtain a federal trademark registration for marijuana products themselves, a business may be able to create an "umbrella" of protection for related products and services that are not prohibited under federal law. For example, marijuana brand owners have been able to obtain registrations for their brands for clothing items, providing information relating to marijuana related issues, non-marijuana infused bakery products, and backpacks. The strategy here is to obtain enough protection for these brands to prevent potential competitors from adopting similar brands, and to be in a position to register the brand for marijuana related products and services if the federal law ever does change.

Like all businesses, businesses selling marijuana products and services want to build brand identity and loyalty among their customers. Until these activities are legal under federal law, however, the benefits of federal trademark registration will not be available to them. In the meantime, these and other strategies can provide some amount of trademark protection now and in the future.

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