New USPTO Guidelines Provide Little Relief For Trademark Applications For Cannabis-Related Products And Services

Description

On May 2, 2019, the U.S. Patent and Trademark Office (USPTO) issued new guidelines as to how the agency will handle trademark applications for marijuana-related, hemp-related and CBD-related goods and services, in light of the federal Farm Bill that became law on December 20, 2018. Unfortunately, the new Guidelines raise as many questions for applicants as they purport to address, and provide little relief for most applicants.

For years, the USPTO has refused to register trademarks for marijuana-related products. The federal trademark law requires that a company use its mark in commerce before the mark can be registered. To date, however, the courts and the USPTO have interpreted "use in commerce" to require *lawful* use in commerce. Marijuana use is legal for medical uses in at least 33 states, but buying, selling or possessing marijuana is still illegal (whether for medicinal or recreational use) under the federal Controlled Substances Act (CSA). As a result, the USPTO has refused consistently to register trademarks for marijuana and related products that federal law prohibits.

The new Farm Bill removes hemp and products derived from "hemp" from the CSA's definition of marijuana. As a result, marijuana plants and derivatives (such as CBD) that contain no more than 0.3% delta-9 tetrahydrocannabinol (THC) on a dry-weight basis are no longer controlled substances under the CSA (but may still be subject to regulation under other federal laws).

Under the new Guidelines, the USPTO has taken the following positions:

- For applications filed *on or after* December 20, 2018, the USPTO will not refuse to register marks for goods and services derived from "hemp" as defined in the Farm Bill because the goods violate the CSA, but will require that the identification of goods specify that the goods contain less than 0.3% THC.

- For applications filed *before* December 20, 2018 for goods and services derived from "hemp," the USPTO will permit the applicant either: (i) to abandon the application and file a new application, or (ii) to amend the filing date of the application to December 20, 2018, and to amend the identification of goods to specify that the goods contain less than 0.3% THC. This creates a dilemma for the applicant, as amending the filing date means that any applications filed by third parties prior to that date would get priority.

- Even if goods are derived from "hemp" and legal under the CSA, the USPTO maintains its controversial position that it can refuse to register marks for products (including beverages, supplements, and pet treats) consumable by humans and pets unless these products comply with the federal Food Drug and Cosmetic Act (FDCA). Currently, the FDA has approved only one product (Epidiolex) containing an active ingredient (CBD) derived from a marijuana plant. In effect, the USPTO 's position means that applicants still will not be able to register trademarks for CBD-related products or services for human or animal consumption.

The new Guidelines are a begrudging and narrow recognition by the USPTO that "hemp" products covered by the Farm Bill are now "lawful," and that the USPTO can no longer refuse applications to register trademarks for these products because the products are not lawful under the CSA. However, these Guidelines do not provide any relief for those applying to register trademarks for other marijuana-related products and services. The

Guidelines also do not provide any comfort for businesses and individuals who are providing marijuana-related goods and services that are legal under state laws, but not federal laws. We continue to suggest that these businesses and applicants apply to register their marks in states where the products and services are legal, and to apply to register marks for related products and services that federal law does not prohibit.

Partridge, Snow & Hahn's Cannabis Advisory Practice Blog provides updates on marijuana law and policy, covering some of the risks and opportunities in this new industry, and makes recommendations regarding best practices. If you are interested in receiving these updates via email, please email us at marketing@psh.com.

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