



Sophisticated advice; Simple solutions.™

Trademarks for Cannabis Businesses

David Schnider

Partner

Nolan Heimann LLP

dschnider@nolanheimann.com



"Branding will be the difference between success and failure in the emerging legal cannabis business. The thing that customers really want is consistency, which is something we expect from brands. Establishing a cannabis brand as a consistent source of relief, relaxation or inspiration will result in repeat orders and word of mouth marketing that is worth its weight in gold. Currently, there are only a few recognizable brands in the market."

Evan Horowitz, Co-Founder and CEO of [WeedClub.com](https://weedclub.com)

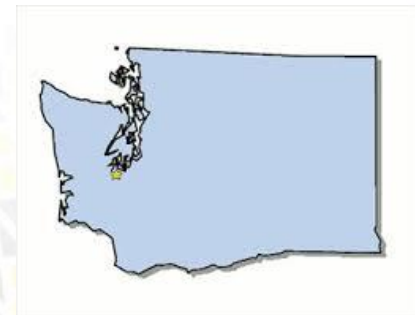
What is a Trademark

A word, name, symbol or device that identifies the source of a product or service and distinguishes it from other products and services.




State v Federal

- Federal registration grants rights throughout the United States
- State Registrations grant rights only within the state



Why Cannabis Brands Can't be Federally Registered

- Registration requires *lawful* use in commerce
- Under the Controlled Substances Act, sales of cannabis and paraphernalia primarily related to it are *unlawful*

USPTO TSDR Case Viewer 

Case Id
86497684

Document Description
14. Offc Action Outgoing

Mail/Create Date
Apr. 15, 2015

Download PDF

Prev Doc 1 of 8 Next Page

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

THIS REQUIREMENT ONLY APPLIES TO THE FOLLOWING GOODS:

"Vapor pen."

Registration is refused because the applied-for mark, as used in connection with the goods and/or services identified in the application, is not in lawful use in commerce. Trademark Act Sections 1 and 45, 15 U.S.C. §§1051, 1127.

To qualify for federal trademark/service mark registration, the use of a mark in commerce must be lawful. *Gray v. Daffy Dan's Bargaintown*, 823 F.2d 522, 526, 3 USPQ2d 1306, 1308 (Fed. Cir. 1987) (stating that "[a] valid application cannot be filed at all for registration of a mark without 'lawful use in commerce'"); TMPEP §907; *see In re Stellar Int'l, Inc.*, 159 USPQ 48, 50-51 (TTAB 1968); *CreAgri, Inc. v. USANA Health Scis., Inc.*, 474 F.3d 626, 630, 81 USPQ2d 1592, 1595 (9th Cir. 2007). Thus, any goods or services to which the mark is applied must comply with all applicable federal laws. *See In re Midwest Tennis & Track Co.*, 29 USPQ2d 1386, 1386 n.2 (TTAB 1993) (noting that "[i]t is settled that the Trademark Act's requirement of 'use in commerce,' means a 'lawful use in commerce,' and [that the sale or] the shipment of goods in violation of [a] federal statute . . . may not be recognized as the basis for establishing trademark rights'" (quoting *Clorox Co. v. Armour-Dial, Inc.*, 214 USPQ 850, 851 (TTAB 1982))); *In re Pepcom Indus., Inc.*, 192 USPQ 400, 401 (TTAB 1976); TMPEP §907.

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.

In the present case, the application identifies relevant applicant's goods as follows: "Vapor pen."

The wording contained in the applied-for mark plainly indicates that applicant's identified goods/services include items and/or activities that are prohibited by the CSA, namely, marijuana and vaporizers for smoking or inhaling marijuana vapors. As shown by the attached evidence from NoSlang.com, the term KUSH refers to marijuana.

Because these goods and/or services are prohibited by the CSA, the applied-for mark, as used in connection with such goods and/or services, is not in lawful use in commerce.



So How Are There Cannabis Related Federal Registrations?



Industrial and engineering design services in the field of agriculture. Consulting in the field of agriculture.



Brownies (not containing cannabis)



Downloadable software featuring information in the field of medical cannabis and herbal products.

Electronic catalog services featuring herbal products; online services, namely, inventory monitoring and management for herbal products.

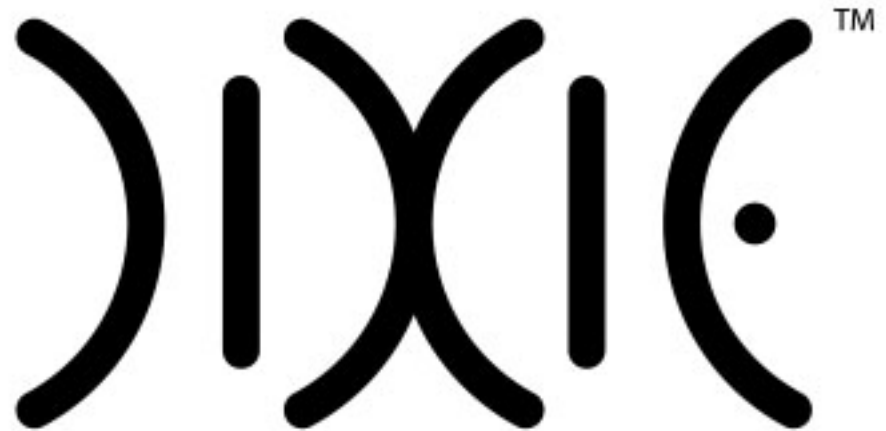
State Registration

- Washington, Oregon, Nevada, allow registration of lawful cannabis products
- California does not, but there is a bill pending



Licensing

- Can't operate across state lines
- Beware individual state regulatory schemes



THE FUTURE OF CANNABIS



David Schnider

Partner

Nolan Heimann LLP

16133 Ventura Blvd., Ste. 820

Encino, CA 91436

(818) 574-5710

dschnider@nolanheimann.com

